

CAPITALISM, COMMUNISM,  
AND THE TRANSITION

by

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# INTRODUCTORY



## CHAPTER I

### INTRODUCTORY

THE EVOLUTION of man from the brute world is at the same time the evolution of human consciousness and organised knowledge. Step by step humanity has built up its experience of the world into a series of sciences, reflecting with ever-growing accuracy the processes of Nature. The barriers of ignorance and the no-man's land of superstition which lies beyond them have been gradually pushed back, winning for science new fields of whose very existence primitive man was unaware.

At an early stage in the development of science the universal reign of law was established in relation to inanimate Nature. Mechanics, physics, astronomy, and with them mathematics, were the first fields in which experience and experiment brought to man the knowledge of natural law. The extension of this knowledge to the field of living organisms was a much later development ; to man himself, later still ; to human society, it has begun, but has yet to fight its way to recognition. And the fight is all the harder because, in the actual growth of human society, the field which the onward march of science must bring under the sway of natural law is already encumbered with not only the superstitions of the past but

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the institutions of the present. It is not to be wondered at, therefore, that from the first the study of society has been at once the expression and the inspiration of acute struggles within society itself.

Political economy, or economics as it is now generally called, is the science of the laws governing the production and exchange of the material necessities of life in human society. These laws can be studied in the actual working of a given period, or as they operate over a long succession of periods : that is, as laws governing production and exchange in a given social system, or as laws governing the change from one system to another. The study of these two sets of laws can be carried on independently up to a certain point. But just as in biology the development of the foetus could only be fully understood in relation to the stages in the evolution of man, so in economics the significance of existing factors can only be fully grasped in relation to the historical development of society.

It is not merely a question of tracing the origin or the first forms of a particular thing, such as money. Money as a medium of exchange can be traced back to the cowrie and the cow ; bank notes and credit in general can be traced back to the certificates of gold deposited with the merchant houses ; but money in action, the functions and effects of the use of money, can only be understood in relation to the changing forms of production and exchange within society. It is the same with every other economic factor ; just as in zoology there are no final, permanent forms, so in economics nothing is final and unchanging. And

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the forms of one economic system have not only derived from the past but also lead on to the future, bring into existence conditions through which the old system is destroyed and a new system arises.

It is this fact of constant and universal change in Nature and in human society which gives science in general, and economic science in particular, its *practical* aim. "Abstract" science is an illusion of the laboratory scientist who does not know and does not care who will eventually make practical use of his discoveries, in contrast to the "practical" science of the technical expert who is directly associated with production. In the last analysis all science is practical: man is constantly striving to increase his knowledge of natural laws in order to use that knowledge for practical aims, in order to use natural laws to enable him to adapt his surroundings to his needs. In economic science this purpose is openly avowed, from the earliest Mercantilist treatises to the latest works of Sir Josiah Stamp and Mr. Maynard Keynes.

But economics is the science of the laws of production and exchange in human society—not human society in the abstract, but actual human society, which as it exists to-day is divided into classes. The practical aims of the science are therefore not the same for all members of society. The class which holds a privileged position in the existing system approaches economics with the fundamental assumption that the main features of the present system are eternal; that no system based on other presuppositions can "work." From this it draws the logical

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conclusion that any economic science which puts forward an analysis showing the possibility and even certainty that some other system will arise is the product of ignorance or mere charlatanism. Because of this, the economics of the privileged class is incapable of a scientific analysis of the laws of production and distribution in capitalist society. It remains a superficial account of statistical trends, of the machinery of production and distribution, without any understanding of cause and effect; like the pseudo-science of medicine in the Middle Ages it abounds in quack remedies and superstitions. But the presentation of these quack remedies and superstitions in pseudo-scientific form has a practical aim: to maintain the existing system; to gloss over the growing conflicts within society and to present a "theoretical" solution, within the system, of contradictions which are inherent in it.

The subject class—in existing society, primarily the industrial working class, the special product of the existing system—can have no such aim. From the early stages of large-scale industry, when its effects on the working class began to be evident, the desire for a new system which would remedy the defects of the old found expression in the writings of the utopian socialists, giving the first vague outlines of a new economic system. But the economics of the subject class was first made into a science by Marx. Marxist economics is not only the scientific analysis of the existing system; just because it explains the facts and relations of capitalist production, it is also able, on the basis of this analysis, to show the laws of motion

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within society. The analysis reveals within the existing system factors which make for the destruction of capitalism and its replacement by a new system. Precisely because of this, it is the economics of the subject class, the class whose practical aim is the abolition of the effects of capitalism and therefore of the capitalist system itself.

And because Marxist economics is scientific, because it shows the laws of production within the existing system and sees that their operation must inevitably change the system ; in a word, because it understands the facts, it has no need to explain the facts of the world to-day by invoking supernatural forces like "Bolshevism," "economic blizzards," "lack of confidence," "America's short-sightedness" and the other psychic entities which are the stock-in-trade of the economists of the privileged class. The latter are totally unable to explain on the one hand the condition of the capitalist world to-day, and on the other the new organisation of production and distribution in the Soviet Union. They cannot explain them because the explanation is completely outside the range of their economics. Capitalism has reached a stage in which the completely unscientific character of its economic pseudoscience has become manifest. Capitalist economists flounder helplessly among the new facts of a period of capitalist decline which obstinately refuse to fit into the conceptions and "laws" which were at best a superficial description of the system in its earlier stages.

The new facts which have emerged in the final

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stages of capitalism are not however outside the range of Marxist economic science. In fact they come as a confirmation of the whole theory of Marxism. The ultimate test of the natural laws as they are formulated by man from his experience is whether he can use them to shape his surroundings to his needs. The laws of capitalist economics have broken in the hands of those who tried to use them to shape society : the governments of the privileged class. But working class economics is to-day proving its validity by solving in practice the contradictions which are more and more deeply undermining capitalist society. The economics which first carried through a complete analysis of capitalist society and discerned within it the factors which would destroy it, was also able to foretell the process of change and the basic features of the new society which would take its place. And men were able to use this science, this knowledge of the natural laws of social development, in order to bring about the new society, just as they are able to use the laws of chemistry to create artificial fertilisers or explosives, and with equal certainty. So it is that now the movement of society can be seen not merely as an interpretation of past history, not merely as a deduction from an analysis of existing society, but in concrete reality.

The purpose of this book is to outline "the historical movement going on under our very eyes." As the starting point of the process it is necessary to take the existing capitalist system--but not because it is the primary stage in the history of man. On the contrary, the nature of the capitalist system and its

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place in history cannot be fully understood unless it is at least realised that it is only one link in a long chain of economic systems. So far as this development is known, it began with the system of primitive communism, survivals of which have existed up to recent times in the village communities of India, Russia and other countries ; and it continued with the successive emergence over the greater part of the world of the tribal system, the dynastic and slave-owning system, and the feudal system, which in turn have paved the way for the existing capitalist system.

In all these different systems after the stage of primitive communism, society has been divided into classes. This division into classes had its basis in the functional division of work at a time when there was as yet but little technical development in production. In *Anti-Dühring* Engels points out that :

“ The division of society into an exploiting and an exploited class, a ruling and an oppressed class, was the necessary outcome of the low development of production hitherto. So long as the sum of social labour yielded a product which only slightly exceeded what was necessary for the bare existence of all ; so long, therefore, as all or almost all the time of the great majority of the members of society was absorbed in labour, so long was society necessarily divided into classes. Alongside of this great majority exclusively absorbed in labour there developed a class, freed from direct productive labour, which managed the general

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business of society : the direction of labour, the affairs of State, justice, science, art and so forth."

The division of society into classes, and the successive economic systems which replaced primitive communism, have steadily helped forward the development of man's productive powers ; and this growth has been enormously accelerated under capitalism. In *The Communist Manifesto* of 1848 Marx and Engels wrote :

"The bourgeoisie, during its class rule of scarce one hundred years, has created more powerful and colossal productive forces than all past generations together."

The productive forces in the world to-day, however, are probably a hundred times greater than they were in 1848.

But precisely because the division of society into classes arose from the low productive level of primitive society, and because the technical development of society has now reached a stage in which only a small portion of the time of society need be absorbed in labour, the historical justification for the division of society into classes has disappeared. This does not mean that class society no longer exists. On the contrary, within the capitalist system, still dominant in five-sixths of the world, class divisions have reached their most extreme form and are continuously widening. It is therefore only through the destruction of capitalism that a new, classless society



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can arise. The study of capitalism as one phase in a succession of systems of production and exchange therefore involves a study of the factors within it which lead to its destruction ; and secondly, an examination of the process of transition—the parallel destruction of capitalism and building up of the new classless society—as well as the general character of the new social order.

When Marx first put forward his scientific analysis of the existing system, and showed its place in the series of changing systems of production and exchange, the conclusions reached were necessarily incapable of proof by the only finally conclusive method : application in practice. Now, however, not only are the factors making for change more obvious and insistent ; through the Soviet revolution of 1917 and the subsequent transformation of the system of production and distribution in the area covered by the Soviet Union a mass of data has been accumulated with the aid of which economic science—necessarily, as already explained, the economic science of the working class—can test the theoretical conclusions already reached and formulated by Marx, and at the same time develop them in more concrete and detailed form.

And because economic science has a practical aim, an examination of the data accumulated in the experience of the Soviet Union must necessarily be followed by the application of the conclusions reached to other countries, particularly to countries in which the capitalist system has reached its highest development : that is to say, Britain, Germany and the

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United States. The concrete, detailed application of the laws of social change depends on the concrete, detailed circumstances in which they operate ; above all, the rate of change, the length of the transition from one system to another, depends on the special stage of development reached within each country, as well as the general stage reached in the process of change viewed as a whole.

That the statement of economic laws is necessarily also a statement of political aims does not make it less "objective." In the last analysis, politics is the struggle of classes in society, and the basis of that struggle, however much it may be covered up in abstract phrases, is always the mode of production and distribution of the material necessities of life, which is also the subject matter of economics. Science which is not practical does not exist ; practical economic science is political economic science. The conception of non-political economics is itself the product of an abstraction, and a false abstraction at that—the abstraction of products from their production ; and the attempt to formulate economic laws in relation to products without reference to their producers, the attempt to represent and explain as relations between things processes which are really relations between persons.

It is because of this abstraction that the economics of the privileged class finds itself helpless to explain a situation in which the relations between persons stand openly revealed, when the development of the system itself tears asunder the veil of things and reveals the natural laws of production and distribution

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operating in and through a brutal struggle between classes. But the brutality of the typhoon and the earthquake does not disprove their reality, nor does it make it any the less necessary for man to study their causes and effects. Man's knowledge of all the forces of Nature, of the conditions which give rise to them and the laws of their operation, is the basis on which he can adapt himself to them and progressively bring them under his control. So it is also with the natural laws of social development, as Engels pointed out in *Anti-Dühring* :

“The forces operating in society work exactly like the forces operating in Nature : blindly, violently, destructively, so long as we do not understand them and fail to take them into account. But when once we have recognised them and understood how they work, their direction and their effects, the gradual subjection of them to our will and the use of them for the attainment of our aims depends entirely upon ourselves.”

PART I

CAPITALISM

## CHAPTER II

### THE CAPITALIST SYSTEM OF PRODUCTION

A SYSTEM of production in the economic sense means the laws governing production and exchange in human society ; not of course the Parliamentary laws, though these may affect the detailed working of the system, and not the mechanical or chemical laws which govern the physical processes of production, that is, *how* things are made ; but the laws which govern production itself—why production takes place. The life of human beings, and therefore of human society, requires for its maintenance food, clothing, shelter and, as society develops, also other things such as railways and ships, pianos and sealing wax. Primitive man took his necessities direct from Nature, using them as he found them ; but from the time when man began to use his knowledge of natural laws to produce things, this production of the necessities of life became increasingly the central point around which a more and more complicated society was built up. It became possible to speak of a system of production in the sense that year after year the production of the necessities of life followed the same course, was affected by the same causes within society itself, and brought about the same effects

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within society. In modern society existing large-scale production is conditioned throughout by its dependence on capital—a term whose exact meaning can only be made clear by an analysis of the system.

But it is plain to everyone that *why* things are produced in modern society is no longer the simple fact that they are necessities of life, that people need or want them. This simple explanation, which was completely adequate in the primitive stage of production, is such a small part of the truth in capitalist society that it is almost false. It is true that generally speaking only things that are wanted, that can from their nature meet some human need or desire, are produced. But this fact cannot explain why the United States Government is devising more and more elaborate measures to stop the farmers from planting more than a fraction of their land ; it cannot explain why world stocks of many primary products amount to more than two years' actual requirements of production. It cannot explain why coffee grown in Brazil is being regularly destroyed in pursuance of a solemn agreement between the Brazilian Government and a banking group. Nor can it explain why some thirty million working class households all over the world are not getting the food and clothing which they undoubtedly want, and why the peasants in practically all colonial countries are coming closer and closer to starvation. In short, the statement that things are produced because people want them cannot explain any of the outstanding features of production and exchange in the capitalist world to-day.

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At one stage in human society things were produced because people wanted them, and they produced them for their own use. But to-day in the areas where large-scale industry exists outside the Soviet Union things are grown or manufactured for sale, for the market. The cotton growing farmer in the United States of America has no idea whether an Englishman or an African or an Indian wants cotton cloth ; all that he knows is that if he grows cotton he can probably sell it to a merchant. The cotton merchant or agent who buys it from him also knows nothing of the ultimate users of cotton cloth ; all that he knows or cares about is that he has a chance of an order from another merchant or millowner to whom he can re-sell the cotton. And although contracts are made at various stages and there are such things as regular customers, neither the cotton spinner nor the piece-goods manufacturer has any real idea of whether his products will in fact be used by anyone. It is the same in every industry : everything which is regularly produced in modern society is for the market : in technical language, is a "commodity."

And this fact begins to explain some of the features of existing society which have just been noticed : the world's surplus stocks of cotton and coffee and rubber and wheat were produced for the market, for sale, but failed to find a buyer. The stocks of course are not all in the hands of the original producers : in some cases they were bought by merchants or manufacturers, but they have stuck at some point in the process of production, between the producer of the raw materials and the ultimate user, the person whose

wants are supposed to supply the motive power to the whole process. Why has the motive power failed ? Not because the wants are less forcible, but because in a system in which things are produced as commodities, for sale, wants are useless without the money with which to satisfy them.

But another of the outstanding features of the present position is that there are vast stocks of money, corresponding with the vast stocks of commodities. The financial columns of the Press in every country report huge amounts of money lying idle. In Britain the competition for any kind of use for money is so great that Treasury Bills have been sold at a rate which gives less than one-quarter of one per cent per annum to the investor. The banks have stopped paying interest on money deposited with them ; they can find no use for it even at low rates of interest. It is therefore clear that the process of production is not checked by any shortage of money in general, but because the people who need the finished products, food, clothes and the necessaries and luxuries of life, have no money with which to buy them. But why have they no money ? Or to put the question more accurately, why do large numbers of people have less money now than in times when production is relatively normal ?

In an earlier stage of society the man who wove wool into cloth for himself and his family owned the sheep from which the wool came, owned the land or had a right to use the common land where the sheep grazed, owned the spinning wheel and the hand loom with which the wool was worked up into cloth. No



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one could question that the product which he made was his ; if he sold any surplus beyond his needs, the proceeds were also his. But with the growth, first of organised manufacture and then of machine industry, the actual producers of the cloth came to be different individuals from those who owned the wool, the raw material, or the spinning and weaving machinery with which it was worked up into cloth. One group of persons owned the means of production, and another far wider group provided the labour. And when the products, the commodities, were sold, the whole of the proceeds were the property of the group which owned the means of production—the class of “ capitalists ”—while the actual producers, the working class, had no right whatever to the proceeds.

But, it will be objected, the workers do get a share in the proceeds, in the form of wages. This is true in a very general sense. But if a factory closes down when the commodities made in the preceding month have not yet been sold, it becomes clear that the wages paid to the workers during that month have nothing to do with any division of the proceeds of what they have made, although this fact is covered up when factories are continuously working, paying out wages and receiving the proceeds of sale month by month. Where then do the wages come from, and what do they represent ?

In order to answer this question, it is necessary to go back again to the idea of capital, which has already appeared in the form of the raw materials and instruments of production owned by the relatively

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small group of capitalists. Not only the machinery and fuel and what are generally understood as raw materials—wool, cotton, metals, etc.—are capital, but also the food and all the other commodities which have been produced. And although the actual state of things is concealed by the fact that, in general, one capitalist pays wages and another sells food and clothes to the workers, the whole transaction is equivalent to the capitalist class sacrificing a part of its capital to the workers who are engaged in production. Wages are therefore in origin a part of existing capital ; they are paid by the capitalist class, who own capital in every form, to the workers, in exchange for their labour-power applied in producing commodities. And, subject to fluctuations and individual and group differences, the amount paid to the workers for the use of their labour-power is the equivalent of what they need in the way of food, clothes, shelter and other necessities for themselves and their families, to maintain them in a fit state to work and to bring up and train their children to work after them.

Why does the capitalist class pay the workers to produce commodities ? Everyone knows that it is not for the sake of supplying other people's wants, but for the sake of the profit made on production. The capitalist who has bought fuel and raw materials and paid wages and set aside something to cover the depreciation of his machinery, is able to sell the products for more than the capital he advanced in these various ways. It is clear that this surplus cannot come from the fact that he has bought his raw materials at

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less than their value, or sold his finished products at more than their value, because this would simply mean a general process of cheating in which one capitalist would lose what the other made. As Marx says, "The capitalist class, as a whole, in any country cannot over-reach themselves." Profit, therefore, must represent additional value created in the process of production : value which can only be created by the producers, by the workers, for idle plant and raw materials produce nothing but rust and mildew.

In capitalist production the value of a commodity means its exchange value : where money is used, this value is expressed in the normal price about which the actual price may fluctuate from day to day. But this value is actually determined by the quantity of labour necessary, in any given stage of society, for the production of the product ; money itself, in which the price of other commodities is expressed, has value in exactly the same sense : the quantity of labour necessary to produce a given quantity of gold or silver or whatever is the basis of the currency. The only universal measure, applying to gold and other commodities, the only common factor by which any comparison of relative values is possible, is the quantity of labour required in the production of each commodity. It is true that the factors of supply and demand affect the price at which particular commodities are sold from time to time—that is, the fluctuations of price from value. But it is clear that it is quite meaningless to say that the difference in the average prices of pins and motor cars is determined by the supply of and demand for these two respective

groups of commodities. This difference can only be explained, at any particular period, by the average difference in the quantity of labour, of labour-time, required for their production.

Once this is understood, the source of the additional value created in the process of production and pocketed by the capitalist becomes clear. The capitalist buys from the worker the only commodity he has to sell—his labour-power. And, like all other commodities, it is bought at its value : and this value, as in the case of all other commodities, is the labour-time required for its production. What is this ? It is clearly the labour-time necessary for the production of the food, clothing and other necessities of life for the worker, including his family. If the money equivalent of this is £3, the capitalist buys the labour-power of the worker for this amount, let us say for a 48-hour week. But by the time the worker has worked 24 hours, he has produced new value to the extent of say £3 ; that is, when the capitalist sells these products, he gets back £3 more than all he has laid out on raw materials, etc., and therefore gets back the amount which he advanced as wages. But the contract was for 48 hours, and in the second 24 hours the worker produces the new value equivalent to a further £3, and this “surplus value,” over and above the values used up in the process of production (including the food, etc., on which the worker has spent his wages), is kept by the capitalist—or rather, by the capitalist class, since parts of it go out as rent, interest, etc. It is this surplus value which forms the new capital added to existing capital after

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each turnover of the productive process—naturally, after deducting the portion consumed by the capitalists year by year in necessities or luxuries. And it is the production of this surplus value which provides the motive power in the whole process of production.

Surplus value is only created in the process of production and necessary transport. The industrial capitalists are therefore the only ones whose capital is directly producing surplus value. But they could only pocket the whole of it if they directly controlled all operations up to the sale to the ultimate user ; if they owned the land used ; if they had no loans from banks and paid no taxes. In existing capitalist society, owing to a number of historical survivals and also factors which have developed within capitalism, the surplus value created by the workers in production and transport is divided up among a long chain of individuals and groups. First, the price at which the industrial capitalist sells the product to a middleman (the price of goods ex works, or of coal at the pithead) is not the equivalent of the full value, which is paid only by the ultimate user. It is the full value less middlemen's profit ; but the middleman's profit is not something he has added to the value of the commodity, but only a part of the surplus value added by the worker in producing the commodity ; this becomes quite clear in the cases where the middleman's profit is in the form of a commission on the amount for which he sells the commodity. The net surplus value left with the industrial capitalist after he has given a share to the

middleman is then subject to further deductions. As a rule, the industrial capitalist has to pay rent to some ground landlord, interest to a banker, salaries of management to his higher-paid employees, and taxes, which represent a contribution from him to the general upkeep of the capitalist State. It is only the balance of the surplus value left after this share-out that constitutes the individual profit of the industrial capitalist ; and it is clear that in certain circumstances this balance may be relatively small, even though the surplus value taken from the worker remains as high as it was before.

When the term capitalist class is used in a general sense, it means all those persons who live on the surplus value created by their workers or someone else's workers ; all those who draw shares from the total surplus value created by the workers as a whole. The share drawn is generally, and on the average, in proportion to the amount of their capital, that is, their claim, usually expressed in money, to the total capital—machinery, fuel, raw materials, food, in fact all commodities before they are used up in the productive process—including consumption by the workers engaged in production. But however the total surplus value is divided out among the various members of the capitalist class, whether one gets a higher rate on his capital and another less, and one makes a tremendous profit by selling a dud share to another who loses all he had—whatever operations go on as between the members of the capitalist class do not add one iota of value to commodities, but are merely the dividing up of the

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surplus value created by the workers in production.

It is now possible to say exactly what is meant by the capitalist system of production as distinct from any other system. It is a system in which the means of production are owned by a relatively small class ; in which the products are commodities, for sale ; and in which the motive of production is surplus value, created in the process of production by a propertyless working class or "proletariat." And capital, whatever physical form it may take, is accumulated surplus value used in the production of more surplus value. Machinery, buildings, raw materials, food, clothes, and everything else used in the process of production are only *forms* of capital, as is also money—the form in which the process usually begins, when raw materials are bought, and ends when the finished commodity is sold. Machinery in itself is not capital : the primitive hand loom or the machinery of the gigantic new factories in the Soviet Union is not capital : these produce things, not surplus value. The statement that production cannot be carried out without capital is therefore simply due to a misunderstanding of what capital is.

In each turnover, then, capital starts as money, is transformed into machinery, raw materials, and labour-power, and then into commodities, from the sale of which the capital reappears as money—but as an increased quantity of money, as replacement of the capital advanced *plus* surplus value ; and this increased capital then goes through the process again. In order that surplus value should be realised,

however, it is necessary for the capitalist to find a market for his commodities ; a market in which he can sell them at their full value or close to their full value, so that he can recover the capital laid out, pay out portions of the surplus value to satisfy other capitalist claimants, and have enough of the surplus value left to satisfy his own claims—which are normally determined by the amount of his capital. If owing to circumstances which will be examined later he cannot sell his commodities at all, or at a price high enough to cover all these items, he stops the productive process. From the standpoint of the capitalist, his capital lies idle, because it cannot carry out its function of producing surplus value ; from the standpoint of society, the capital which had hitherto been constantly changing from raw material and fuel and wages into finished products is now frozen in idle stocks ; and a part of the working class, which can live only by selling its labour-power for the production of surplus value, is thrown aside, prevented from using the means of production, prevented from making the necessities of life for themselves or for anyone else, because the system of production has brought production to a standstill.

And at this point it is also possible to answer the question which was raised on an earlier page : why do large numbers of people have less money now than in times when production is relatively normal ? Because the volume of capital put into the productive process by the capitalist class depends on the possibility of making profit ; this means that in a period of absolute decline in profit the volume of capital



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put into the productive process, including the portion which takes the form of wages, is reduced. No profit, no wages ; no wages, no demand for consumption goods ; no demand for consumption goods, no demand for production goods : idle capital and starvation for the workers.

Existing society is tremendously complex, and the sharp division of it into two classes, one producing surplus value and the other receiving it, is often represented as a gross exaggeration of the facts. But if any actual industry is examined it will be seen that there are two processes going on side by side.

In the United States there are hundreds of thousands of workers engaged every year in preparing the soil, planting, weeding and eventually picking cotton. The cotton is taken to the ginneries and cleared of seed ; the lint is then packed in bales and transported by other workers to warehouses at marketing or shipping points. The raw cotton destined for Lancashire mills is subsequently taken from the warehouses, loaded in steamers, brought to Liverpool or Manchester and there discharged and again stored in warehouses, at each stage being handled by new groups of workers. In its ultimate course it is then taken in lots to the various spinning mills scattered throughout Lancashire, and in these mills successive groups of workers put it through various processes until it is spun into yarn. The yarn is then transported to factories where it is woven into cloth ; other groups of workers bleach, dye or print it for use by individual consumers. But before it reaches these, other groups of workers pack and

transport it—perhaps load it in steamers which carry it to Africa or the Far East, where it is discharged and again transported to warehouses and shops from which it is taken by the ultimate users.

It is the same with every industry in modern society : successive groups of workers, spread practically all over the world, are engaged in the winning of raw materials, their transport and manufacture through a series of processes, until at last a product emerges which comes into use by individual human beings as food, clothing, shelter, means of locomotion, means of entertainment or education in its widest sense. The interdependence of the whole series of processes, and therefore of the workers engaged in them, is now a commonplace. It is true that in Britain the allotment-holder may produce and consume a certain part of his food ; the small farmer working his own land may do likewise ; in colonial areas peasants produce and consume a relatively large proportion of their needs ; but the immense majority of the products used by individuals in modern society has been created not by themselves, nor by the separate labour of other individuals, but by collective, associated, interdependent, in a word, *social* labour.

But in capitalist society not one of these technical processes of production can go on except as part of another process, a process in which another group of individuals is taking part : a process which, in the last analysis, is the appropriation by individuals, through their ownership (direct or indirect) of the means of production, of the surplus values created

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by the workers in the course of social production.

The cotton growing area of the United States is divided up among a large number of separate farmers. At some time or other the farmer has taken over the farm he now "works." Having leased the farm and entered into possession, he then begins an annual process of engaging workers to carry out the technical operations of cotton growing ; he pays them wages and lays out other parts of his capital in other expenses ; and when the cotton has been picked and ginned, he sells the lint and seed to merchants, puts the proceeds into a bank and starts the annual process again.

Then the merchants start another series of operations. They try to find other merchants who will buy the cotton from them at a higher price than they gave for it. In the case of cotton which is eventually used in a Lancashire mill, successive groups of capitalists, railway and shipping, engage labour to carry out the transport operations involved. After other middlemen have had the technical ownership of the cotton, it passes to the owner of the spinning mill, and then as yarn to the manufacturer, each of whom is engaged in the continuous process of paying labour to carry out technical operations. Finally other middlemen, railway and shipping companies pay labour to pass on the final product to the ultimate consumer.

Behind this series of operations which take place apart from the physical processes of production and transport, another series is taking place, even more remote from the physical processes. Behind the

But one thing is clear : practically all the work done by the capitalist class and its higher salaried servants is the organisation of the production of surplus value and its distribution among the members of the capitalist class in proportion to the amount of capital owned by each or to the special services rendered by each. This is obvious in the case of a salaried manager of a company, whose duty it is to organise the production of surplus value and distribute the profit among the shareholders. It is equally true of the banker and the stockbroker and the lawyer, and of everyone else who has to do with the adjustments and transfers of capital and claims to surplus value as between different capitalists. And the other side of the picture is this : that all the individuals not engaged in productive work are directly or indirectly drawing a share in the surplus value created by the workers, and are therefore interested in the maintenance of the existing system. In general, as already said, the share of each individual is determined by the amount of capital owned ; but shares are also drawn by the civil service and the members of the Government and the King, by the armed forces and the judges and prison officers and police, by highly paid journalists and ministers of religion and diplomats, for their general services in maintaining the interests of the capitalists, in relation both to the workers and to the competing capitalist groups of other States.

It is necessary to make it clear that the groups of individuals engaged in all activities outside the actual technical processes of production and transport are

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essential to the working and maintenance of the existing system. Each one of them—even the speculator—sets in motion a series of activities which ultimately determine whether or not the technical process of production shall be carried on. This is very clear for example in the increased industrial activity which took place in the summer of 1933 in the United States of America. Speculators on price rises due to expected currency changes actually raised prices in spite of vast stocks ; because prices rose, shops and middlemen bought ; as a result, factories began to produce. The final outcome of such a movement is another matter. But the main point is that although all these activities affect production, their aim is not the production or transport of things, but the production of profit. Even the cotton spinner does not buy raw cotton and engage labour because he wants to produce yarn ; if that were the aim, the motive force behind his activities, he would never stop production. But as things are, he does stop production when it no longer yields a profit ; the production of yarn is incidental to the making of profit.

To each individual in each group, the possibility of making a profit depends on his being able to sell his commodities or his services in competition with the others in that group. The farmer can only sell his cotton in competition with other farmers ; if he asks a price higher than other farmers are asking, the merchant will pass him by. The merchant faces the same competition from other merchants when he comes to sell. And so it runs right along the whole

series of groups. But there is not only the conflict between the individuals in each group. Each group as a whole tries to compel each other group to buy at its price : instead of selling as individuals, the farmers club together into co-operative associations, and present as it were a united front to the merchants ; the merchants join together to demand lower freights from the railway and shipping companies, and so on through all the groups. As a result of this conflict of individual and group interests, the prices actually paid for commodities are constantly changing, giving the individual capitalists the illusion that profits made are due to their special ability or foresight in buying and selling. But the actual movement of prices is a reflection of the state of capitalist production itself : of the extent to which the capitalist system of production is producing surplus value or not. In general, and ignoring for the moment questions of monopoly and other interfering factors, a wage cut will increase the price of shares in a particular industry, because the surplus value will be higher, and therefore the dividends. And this leads to more capital being applied to production in this industry. The same result will follow if prices rise owing to a demand relatively greater than the supply. If prices rise, the farmer will plant more cotton if he can ; if they fall, he will plant less. And each other capitalist in the chain will act in the same way : from time to time each thinks he has an opportunity of making a profit by expanding his business. Each knows a good or a bad period only by the profit he can get. As Engels says in *Anti-Dühring* :

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“ Each produces for himself, with the means of production which happen to be at his disposal and in order to satisfy his individual needs through the medium of exchange. No one knows how much of the article he produces is coming on to the market, or how much demand there is for it ; no one knows whether his individual product will meet a real need, whether he will be able to cover his costs or even be able to sell it at all. Anarchy reigns in social production.”

In the years when the going is good each individual does his utmost to increase his turnover in order to increase his profit. The farmer increases his sown area ; the railway company gets additional rolling stock, and may build new lines ; the steamship company buys new steamers ; the spinner and manufacturer extend their plant. The whole of this process is the automatic response of capital, acting through a series of individuals, to the possibility of producing more surplus value. And it has a direct effect on production and transport : each operation leading to the expected increase of profit involves also the engagement of additional labour to carry out new physical operations for which also raw materials and equipment and food have to be produced and transported. But there is no plan whatever in the increase of the productive forces, and there is no plan when these forces begin to produce, any more than there was a plan in the previous process of production. Anarchy reigns supreme. And therefore, inevitably as night follows day, each boom in production is

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followed by a slump, by over-production : by the production of cotton or coal or steel or of many kinds of commodities in excess of the actual demand for them. Prices fall as a result of the competition to sell ; producers are no longer able to realise surplus value, and close down or check production, dismissing large numbers of workers. A general economic crisis develops. The drive for increased profit, the only aim of every capitalist group, has reduced profit and ultimately led to a fall in production. In *The Communist Manifesto* Marx and Engels wrote :

“ In these crises a social epidemic breaks out, which would have seemed an absurdity in all previous epochs—the epidemic of over-production. Society finds itself suddenly thrown back into a state of momentary barbarism ; a famine, a universal war of devastation, seems to have cut off the supply of all means of life. Industry and commerce seem to be destroyed—and why ? Because there is too much civilisation, too much of the means of life, too much industry, too much commerce.”

But it is not enough to describe the anarchy of production which allows economic crises to develop. It is necessary also to examine the laws which as it were *compel* individuals and groups of capitalists to increase their productive forces and their actual production. Engels speaks of “ the enormous expanding force of large-scale industry, compared with which the expanding force of gases is mere child’s



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play . . . a *necessity* for both qualitative and quantitative expansion that laughs at all counteracting pressure." With each turnover of production, each capitalist obtains new surplus value, a portion of which he consumes, converting the rest into capital : that is, putting it into the process of production in order once more to obtain new and additional surplus value. The total mass of capital is always expanding. Estimates of the total British capital show an increase from £1,500,000,000 in 1800 to £8,500,000,000 in 1875, £14,300,000,000 in 1914 and £24,000,000,000 in 1928. Not all of this represents means of production ; much is merely an indication of a claim to surplus value, such as the valuation of land ; but the means of production have almost certainly increased in this proportion. A similar process, though in general starting later, has taken place in every other capitalist country. The accumulation of surplus value and its transformation into additional capital is one of the most powerful laws of capitalist production : a law which becomes more and more insistent as immense masses of capital become concentrated in the hands of individuals, who cannot possibly consume more than a small fraction of the surplus value coming to them year by year. But in order to use surplus value as capital, it is necessary to put it into production : to transform it into additional machinery and raw materials and necessities of life for which the workers will exchange the wages paid to them for producing more commodities than before. And then the capitalist must find a market for these additional commodities.

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And at this point the process of capitalist production, which is a process of reproducing capital in ever-expanding volume, begins to find that it has created insoluble difficulties. Conflict develops between the expansion of the productive forces and the limit set to the market by the very laws of this expansion ; and out of this fundamental conflict comes conflict between the individual competing capitalists and national capitalist groups ; conflict between the capitalist class as a whole and the working class. These conflicts are not due to the malevolence and shortsightedness of men, but simply and solely to the inevitable working out of the laws which govern production in capitalist society.

## CHAPTER III

### THE SOCIAL EFFECTS OF CAPITALIST PRODUCTION

THE EXPANDING force of capital acts in the first place as an expropriating force—it produces a competitive struggle between individual capitalists and groups in which the weaker always goes to the wall and is deprived of his capital by the stronger. The early stages of capitalism were a continuous and at times forcible expropriation of the individual means of production in the hands of the peasant and handicraft producers. The vast masses of propertyless workers required for modern industry were created in Britain by the Enclosure Acts on the one hand, and on the other by the undercutting of handicraft products by machine-made products. This double process of expropriation is still going on in colonial areas, where the continuous seizure of land—as for example in Kenya—is the basis for the destruction of pre-capitalist modes of production, and is supplemented by taxes of various kinds, the object of which is to drive men who formerly produced for themselves into the production of surplus value for capitalists. But in an established capitalist society the expropriation continues under the guise of competition between capitalists : “ one capitalist

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always kills many." Those capitalists in each section of industry who are operating with the largest amounts of capital are able constantly to win in the struggle for the market against their smaller rivals. They are able to install the most up-to-date machinery, to obtain the cheapest raw materials and to build up the widest sales organisation. But the increasing strength of the more powerful capitalist groups means also the weakening of the smaller capitalists, whose share of the market falls and who are squeezed out of business and forced either to work as salaried employees of the bigger capitalists or to sink into the ranks of the working class. It makes no difference whether the destruction of weaker rivals is carried out by "fair" or "unfair" methods; the point is that capitalist accumulation is at the same time a process of centralisation of capital in the hands of a constantly narrowing group, a process towards monopoly.

But this process is not only developing at one central point. Within each national State many powerful groups develop, partly in different industries, partly in horizontal lines cutting across many industries. The one universal feature is that these groups develop close associations with the banks, and therefore are able to mobilise constantly increasing sums for the competitive struggle. The conflict for the most favourable opportunities of extracting surplus value—in capitalist language, for the most favourable spheres of investment—does not diminish with monopoly, but continues with greater intensity because of the large masses of capital

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accumulated year after year by the powerful groups. Whatever the industry, whatever the country, the same process goes on : the smaller capitalists are absorbed or destroyed by the larger, and the growth of large trusts does not bring the end of competition, but merely brings more powerful antagonists, greater masses of capital, face to face. Once more it is necessary to say that this continuous struggle between rival groups is merely the working out of the laws of capitalist production—the system which produces surplus value and its accumulation as capital, that is, as something which can only function by producing more surplus value. Each capitalist group is faced with the problem of finding a market for a constantly increasing output of commodities. As the capitalist system extends its hold over every part of the world it becomes more and more difficult to find a market for this increasing output by breaking down pre-capitalist methods of production—that is, by the simple competition of cheaper machine-made products with handicraft products. Capitalism is forced to turn in on itself : each group can only find new markets at the expense of other groups. It is perfectly true that this rivalry and competition has always been a feature of capitalism ; the essential point is that as the colonial markets reach their limit the rivalry becomes more and more the dominant feature, and at a certain stage gives a completely new character to the whole process.

To each separate capitalist group, the possibility of extending its markets at the expense of other groups depends on its being able to sell its products at a

lower price than that at which its competitors can place theirs on the market. But the lowering of price eats into the profit, and defeats the whole aim of realising surplus value by the sale of the products, unless the costs of production are also reduced. Success in the struggle for markets is therefore dependent on reducing the costs of production below those of rivals. But how are costs of production reduced? In the last resort, only by reducing the quantity of labour-time used in the production of each unit. For this reason the accumulation of capital and the consequent struggle for an ever-increasing market expresses itself in technical improvements, through which on the one hand a use is found for an increasing quantity of fixed capital, while on the other hand the quantity of labour required in the productive process, and therefore the cost of production, is reduced.

Many technical improvements not only reduce the labour required in the industry in which they are applied, but also effect economies in raw materials and fuel, and thus reduce also the labour employed in the primary industries. The coal industry in Britain has felt the effect of economies in fuel consumption in practically every other industry. The use of oil-burning and Diesel-driven machinery has made tremendous reductions in the amount of labour required on ships and in bunkering and transport. The use of electricity economises labour in factories and in the transport of fuel to them. At the same time technical improvements have reduced the amount of coal consumed in the production of

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electricity. Speaking at a luncheon of the Coal Industry Society on June 13, 1932, the Secretary for Mines stated that a 45 per cent increase in gas output since 1913 had required an increased use of coal of only  $8\frac{1}{2}$  per cent, while an increased output of 139 per cent of electrical units had required only  $35\frac{1}{2}$  per cent more coal ; and had the amount of coal used for these purposes increased in the same ratio as the output of gas and electricity, twelve million tons more coal would have been required each year. The saving of twelve million tons of coal each year means, under the capitalist system, about 40,000 miners permanently out of employment, to say nothing of the transport workers who are also " saved " in this way. But, simultaneously with the saving of wages, employment has been found for large quantities of new capital, particularly in the electrical industry.

It is sometimes said that the reduction in employment which is the result of this constantly improving technique is counterbalanced by the additional labour required for the production of the new machinery. It is obvious however that new machinery is only introduced if this is not the case ; if the labour required in making the new machinery is not less than the labour saved during its life, the total cost of production is increased and the new machinery is not used. This is a calculation which is made by every capitalist who is considering the introduction of new machinery, although he reckons in interest on capital and amount of wages instead of labour-time. Nor is it true that the cheapening of cost and

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therefore of price automatically brings a wider market for the product and therefore leads, even if only after a time, to the re-engagement of the labour dismissed when a new technical improvement is introduced. This is true, as will appear later, at certain stages in the development of capitalism, but not in the later stages when capitalism has spread all over the world.

The process of accumulation and expansion of production therefore results in a change in the form which capital takes in the productive process : the proportion which takes the form of machinery increases, the proportion which takes the form of wages falls. In the earlier stages of capitalist development this change was concealed by the fact that there was a simultaneous extension of the market at the expense of handicraft industry in colonial or other backward areas, so that although the quantity of labour embodied in each product diminished, yet the total labour employed in capitalist production increased. As the pre-capitalist area in the world is narrowed—and particularly since the post-capitalist area of the Soviet Union has been formed—the rate at which additional labour is used by growing capital falls ; a point is reached at which the reduction in labour employed in the productive process exceeds the increased labour required for a wider market ; the relative decline in labour employed per unit of product is transformed into an absolute decline in the total labour employed. Unemployment, which has at all times appeared on a large scale in the temporary crises of over-production since industrial



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capitalism developed, at this stage becomes chronic and increases at an accelerating rate.

It is perfectly true that this does not show itself to an equal degree in every industry and in every country. The competitive struggle between increasing masses of capital necessarily results in an uneven development. Within each industry, the monopolist groups may continue to expand their business in a crisis even more rapidly than before ; they weather the storms which sweep their smaller rivals out of existence, partly because of their greater reserve strength, but mainly because they are able to introduce new labour-saving machinery and thus to continue production at a level of prices at which their rivals cannot make anything but losses and are eventually forced to close down. It is the same between different industries. " New " industries still have a certain period of expansion long after the general trend has turned to decline, particularly where these industries produce commodities for consumption by the capitalist class and its higher-paid employees. And the same holds good of certain countries which, owing either to the higher level of technique (the lower quantity of labour used in the production of each unit), or to the use of cheaper labour, are able for some time to go against the stream, to expand their markets and the total labour employed in spite of the absolute decline which shows itself in the capitalist world as a whole. But a stage comes in which even the monopolists, even the " new " industries, even the most-favoured countries, begin to feel the influence of the general

decline, and in fact themselves contribute to the final crisis. For a long time after the war the United States showed a tremendous expansion of output and in general found little difficulty in disposing of its products. But the actual course of things is revealed in the Federal Reserve Board index, which reflects a fall in the number of factory workers employed by 6 per cent between 1919 and 1929, while the output per worker increased by 51 per cent. Only a blind man could fail to see the necessary connection between this stage of absolute decline in labour employed and the corresponding over-production which brought about the acute economic crisis of 1929—a crisis which, in spite of partial and temporary “revivals” based on various forms of speculation, is still increasing in intensity.

The accumulation of capital and its necessary accompaniment, competition for markets, therefore lead inevitably not only to the temporary crises which have always been a recurring feature of capitalism but also to the general crisis of capitalism as a whole. The exact meaning of this can only be brought out by turning again to the process of capitalist production. It has been shown that the working class has no means of living other than wages, and that in essence wages represent an expenditure by the capitalist class of a part of their capital—that part which takes the form of food and clothes and other necessities of life. The machine-construction industry makes machinery ; but unless machinery is ultimately required for the production of food, clothes and other necessities of life no machinery is ordered, and

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therefore the machine-construction industry comes to a standstill. The fact that less labour is required in production reduces the amount of the necessities of life which are required for the productive process, and therefore also inevitably the demand for machinery and raw materials. The laws of capitalist accumulation result in a situation in which production of all kinds begins to fall ; Marx says : " The real barrier to capitalist production is capital itself." A large part of previously existing capital can no longer function as capital ; stocks of all kinds accumulate ; tens of millions of workers are thrown out of the productive process. The capitalist system of production, which over a long period immensely increased the productive forces at man's disposal, is no longer a progressive force in human history, but begins to reverse its course, to destroy the material and human productive forces which it itself had called into being.

In every periodic crisis of capitalism a certain destruction of productive forces has taken place. Factories and mines have been closed down and then abandoned, and stocks of raw materials and even finished products have been destroyed, while numbers of workers have been temporarily thrown aside. But in the general crisis of capitalism a new stage is reached. The destruction of the productive forces becomes increasingly essential to the very existence of capitalism. The most powerful financial and industrial monopolist groups in each country buy up whole groups of factories and producing units, no longer to set them to work to increase the output

under their own control, but to destroy them, to prevent them for ever from adding to the output of industry. The typical case in Britain in recent years is the Shipbuilding Securities Corporation, a company formed under the protection of the Bank of England which has already bought up for dismantling more than a dozen shipyards on the North East Coast and in the Clyde area.

The cotton restriction plan adopted in 1933 in the United States is on an even more impressive scale. The *Manchester Guardian* of July 15, 1933, heads the report of the adoption of the plan in the following words: "COTTON PLAN'S SUCCESS: 10,000,000 acres for destruction." The report states that Washington had announced the fulfilment of the plan—"sufficient offers had been received from the growers to reduce this year's potential crop by 3,500,000 bales." The farmers were to get \$9.50 for each acre of cotton destroyed; as more than ten million acres were likely to be destroyed under the plan, \$95,000,000 would be paid them in compensation. This money was to be raised by a "processing tax" of 4.2 cents per lb. for the cotton worked up into yarn; and similar processing taxes were to be applied later on to products competitive with cotton, including rayon and probably silk and wool.

It is of special interest to examine the effects of this scheme because it is an essential part of the Roosevelt "National Industrial Recovery Plan," which has been widely advertised as an infallible way out of the crisis for capitalism. The knowledge that some measure along these lines was likely to be

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introduced by the Government led to considerable speculation in cotton, which was increased by the general belief that inflationary measures were about to raise all prices. Partly because in fact prices rose as a result of this speculation, and partly in order to forestall the operation of the processing tax, the cotton industry in the United States developed, from April 1933 onwards to July, first to full-time working and then even to overtime working. Statistics of production bounded up : the index of cotton production was 124 in June 1933—more than double the index of production for steel and motors. There was talk of a “permanent” revival of which the first signs were already visible. The cotton workers had no idea that the operation of the “Blanket Code” would find a completely changed economic situation.

But in fact there had been no revival of consumers’ demand. The Federal Reserve Board’s index of Department Store sales for June 1933 was only 65—2 points lower than in April 1933, and 4 points lower than in June 1932. The reason of this is not far to seek. The process of rationalisation in every industry had been continuing through the depression, and when the spurt of production began in April 1933, 12 per cent less labour was required as compared with a year before : the general index of production in April 1933 was 67, the same as it had been in March 1932, but the “factory employment” index, which had been 66 in March 1932, was only 58 in April 1933.

Not only was less labour employed ; the speculative

rise in prices soon showed itself in retail prices, and the effective demand of the workers as a whole was reduced. The *Economist* of July 22, 1933, states that the reported wage increases in America, amounting to 10 per cent in many industries, "hardly compensate for the already increased cost of living," and that retail prices must rise further in view of the sharp rise in wholesale prices.

It is therefore clear enough that the rise in production was speculative, and that it only added products to a market already heavily overstocked. This was particularly the case with cotton, where the speculation had the added spur of the attempt to forestall the processing tax. From August 1st, when the tax came into operation, cotton production necessarily declined sharply, and the price of raw cotton also fell. There are enormous stocks both of raw cotton and of manufactured goods, and it is perfectly clear that the whole scheme of destroying growing cotton, and financing the farmer for this destruction out of the processing tax, has not provided a way out even for the farmer, for the fall in the price of cotton is likely to reduce his income by a greater amount than he receives in compensation. The number of labourers engaged in cotton growing must fall heavily, and the effects of this must spread rapidly to transport and other industries. The cotton spinning and manufacturing workers are to receive a slight advance in wages under the code ; but on the one hand retail prices are higher as a result of the scheme, and on the other hand the number of workers engaged in cotton manufacturing must fall

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heavily as the weight of accumulated stocks combined with the higher prices due to the tax begin to influence the market. The further repercussions are incalculable, but their direction is clear enough : not a way out of the crisis, but a new general crisis.

This is only one case. In coal production in Britain the restriction of output by means of a quota system is accompanied by what is equivalent to a tax on sales, and from the fund so created compensation is paid for the restriction of output. A tax on sales of nitrate provides a fund for the payment of interest on immense sums used to hold nitrate off the market. An export tax on coffee provides the service of a loan used for the purchase of coffee to be destroyed. All round the same process is going on. Not only is mankind deprived of the food and other goods which have actually been produced or can be produced, but the cost of this destruction is in effect an added burden on new production : it increases the prices to the final consumer, and therefore further restricts a market which is already shrinking to such an extent that destruction became the only gateway to new production. The temporary "solution" of the difficulties of each industry in turn by these methods merely paves the way to a deeper and more widespread crisis.

Alongside of this more and more organised destruction of productive forces and actual products, there is a terrible destruction of the human productive forces through unemployment and the varying degrees of starvation which together reduce the effective working capacity of millions of human

beings. There is the further disastrous effect on the families of the workers, their lowered vitality and the increasing sickness and death rate which is spreading from the "derelict" areas to every industrial area. In *The Condition of the Working Class in Britain* Mr. Hutt gives an account of many such areas in 1933 ; the following is an extract from his account of Clydeside :

"Clydeside is the industrial heart of Scotland ; and to-day that heart is scarcely beating. The statistics speak loudly enough. They reveal a paralysis that is absolutely without parallel. Shipbuilding in Scotland has 77 per cent of its workers unemployed, and marine engineering 65 per cent. . . . Even worse is the position of the iron industry. There are eighty-nine blast furnaces in Scotland. At the end of 1932 there were only two in blast ; the maximum number in blast at any one time during the year was seven, and at one period in August it even sank to one. In general engineering the unemployment percentage is 42. . . ."

There is the increase of blind-alley occupations for young workers, and the increasing number of children who never find work of any kind after they leave school. And together with the check to the normal development of human productive forces through employment, a similar check takes place in the cultural development of the workers. It is not malevolence or shortsightedness, but the inevitable



outcome of the stage which capitalism has reached, that has turned back the flowing tide of increasing social services of all kinds and in particular has reduced the grants for education and housing.

Therefore when the Marxist economist says that capitalism has ceased to be a progressive force, he is not merely basing his view on a superficial examination of production statistics. It is not only a question of the actual fall in production, but of the whole trend of capitalist development in the present period, and the impossible position in which capitalism finds itself: a position in which every measure taken to solve an immediate and urgent problem reacts with terrific intensity on the whole economic field.

But capitalism does not automatically disappear when it ceases to be a progressive force. The individual capitalists and the powerful monopolist and financial groups do not throw up the sponge and leave the way clear for the introduction of a new system which will remedy the defects of the old. Their competitive struggle for existence as capitalists becomes more and more intense. It remains true that each group can still expand, can still find a use for its increasing capital, by winning markets from its rivals. And as the situation becomes more difficult for the groups in each national State, so the struggle against rivals in other national States becomes more acute. Each group strives to strengthen its position in the world market not only by economic means but also, with the help of its Government, by political measures directed against its rivals. The tremendous

growth of tariffs, subsidies, exchange restrictions, import quotas and embargoes is not the result of a "change of view" or a "change of heart," but of the sharpening struggle for markets between rival capitalist groups. These measures are not new weapons in the fight; what is new is their rapidly increasing use, due not to the increasing ill-will of men but to the stage of general capitalist crisis.

Is any solution of the general crisis of capitalism to be found in what is politely known as "economic nationalism"? In so far as the policy is successful in protecting markets against foreign rivals, it is also inevitably the elimination of further labour which has previously been employed in shipping and dock and railway services, and although the results may vary in degree in various countries, the final effect must be to increase the general crisis. And even the successful application of this "solution" leaves each capitalist group facing exactly the same problem as before: how to use its new profits, its accumulation, as capital, how to find a market for an increasing quantity of finished products at the same time as the quantity of labour used in their production, and therefore the possible consumption of finished products, is steadily decreasing. And once again, the same solution must present itself to the rival capitalist groups: that markets can only be extended by further invasions of colonial areas, and by further political measures against rivals—a solution whose necessary outcome is war.

The belief that any form of international agreement can turn back this inevitable tendency of

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capitalism is due only to a failure to realise the expanding force of accumulation which is inseparable from the existing system of production. Agreements between monopolists and between national groups are perfectly possible in themselves, and are frequently made, even in the present stage of capitalism. These agreements, however, must necessarily provide in some form for the restriction of production—sometimes by maintaining a fixed minimum price, sometimes by delimiting areas of sale, sometimes by output quotas or restrictions on area sown in the case of agricultural products. In so far as these agreements are observed and are effective the groups concerned continue to accumulate. The added capital must find an outlet as capital ; but the very restriction of output has thrown labour out of the productive process and reduced the capacity of the market. This is emphasised even more by the fact that restriction of output means concentration on the most easily worked parts of a mine, on the most up-to-date plant owned by a trust, or on whatever section of production will economise most labour. A stage is reached in which the increasing capital bursts through the barriers of the agreement : the agreement is evaded or denounced, and the competitive struggle breaks out again with renewed force. The financial columns of the Press have been full of examples : rubber, tin, tea, cotton, wheat and many other primary products are constantly under discussion ; plans for restriction of output are constantly being put forward, made and again broken. International agreements are in fact merely weapons

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in the competitive struggle, through the use of which the competing groups consolidate their hold over certain areas, absorb or sweep away their minor rivals, and come back to the main struggle with immense new reserves of strength.

In so far, however, as the crisis is not a crisis affecting only particular industries but capitalist industry as a whole, even partial and temporary agreements become less and less likely. The pressure of accumulating capital which can find no outlet as capital is too great, and, instead of temporary agreements between sectional groups, each economic and political conference produces new disagreements, new rivalries, new forms of open conflict. It becomes increasingly obvious that the economic forces in capitalist society are leading steadily towards war as the last desperate attempt of each rival group to widen its markets, to find a wider field for its capital to function as capital.

The successive temporary agreements and subsequent disagreements in the oil industry, particularly between the Anglo-Dutch Shell group and the United States Standard group, are often reported in the Press. The immense driving force of capital behind all negotiations can be seen from the statement made by the Chairman at the annual meeting of the Shell Transport and Trading Co., Ltd., on June 20, 1933 :

“ To give you a wider picture of how much capital we have awaiting a turn of the trade tide, I may tell you that the Shell-Royal Dutch group as a

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whole have no less than £35,000,000 in liquid resources, while the affiliated companies have a further £16,000,000 available."

This is the position of practically every powerful monopolist group, and the mass of money seeking use as capital in the hands of the monopolists of each imperialist power must run into hundreds of millions of pounds.

Alongside of this struggle between the most powerful capitalist groups in each country, another struggle is going on between the monopolist groups in the advanced industrial countries and the rising capitalist groups in countries which are relatively backward and are controlled by the different imperialist powers. The developments in Ireland are only a special case of a struggle which is appearing in different forms in Egypt, India, South Africa, China, South America, and in fact in every country which is controlled by the dominant imperialist groups. In each case these imperialist groups are confronted with groups of capitalists who are accumulating profits and striving to find a use for their accumulation as capital. The imperialist groups use various political devices to hold back the industrial development of these subject countries, which threatens the markets for their own products ; they strive to confine production in the subject countries to agriculture and raw materials for the industry of the "motherland." But the laws of capitalism are inexorable : the expanding force of accumulation in the subject countries insists on an outlet, and in spite of all

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political restrictions it continues to grow and to insist on its separate existence and right as capital to develop freely. In certain cases working alliances are made with imperialist groups other than the group in the "motherland," as for example the growth of Canadian capital in alliance with United States capital.

But in all cases the growth of capital in the subject country leads to a conflict with the imperialist groups and the development in one form or another of a nationalist movement. This nationalist movement, really expressing the demand of national capital to find an outlet, draws strength from the general discontent of the workers and peasants : in certain circumstances, as for example in China in 1927, it becomes a general movement of the subject people against subjection, against control by the imperialist groups. As the general crisis of capitalism deepens, the conflict between the national movements and the imperialist groups necessarily changes its character, and becomes more dangerous to the imperialist powers because of the immense volume of discontent among the workers and peasants of the subject countries, who are impoverished by the general fall in the prices of agricultural products and the increasing taxation inseparable from an economic crisis.

But through all the process of accumulation and rivalry between the competing capitalist groups, through all the process of economic booms and crises, international and colonial wars, an even more continuous and widespread struggle is going on.

## SOCIAL EFFECTS OF CAPITALIST PRODUCTION

The working class came into being and has grown with the capitalist class. The centralisation of capital and the concentration of production in huge factories have had as their counterpart also the concentration of immense numbers of propertyless workers in industrial centres. The struggle between competing capitalists is fought as it were—and sometimes literally—over the bodies of their respective workers. In the last resort the competition between capitalists is a competition in the economy of labour, in reducing wages, in speeding-up output, in getting the maximum possible output for the lowest possible wages. And the fact that at certain times in certain countries wages do not fall but rise, that sometimes hours are reduced instead of lengthened and conditions improved instead of made worse, does not affect the fact that the whole movement of capitalist production is widening the gap between the classes, that as Marx says :

“ Accumulation of wealth at one pole is therefore at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole.”

During periods of relative prosperity in the history of an industry or of an industrial country this statement may seem ridiculous. Everyone knows the phenomenon of the “ new ” industry in which for a time wages and conditions may rise above the normal. The high wages paid by Ford when he introduced mass production methods were advertised

throughout the world—and served their purpose also as advertisement. But these high wages are only possible on the basis of an output per worker which exceeds the output which is normal at the particular time.

The exchange value of a commodity is determined by the average labour-time embodied in it at a particular stage of technical development : that is to say, the average labour-time used in the production of this commodity throughout a country at any given period, or, if a world market exists for this commodity, the average labour-time used in its production throughout the world. If by the use of new machinery one capitalist can produce the commodity with less labour than is normally used in its production, he is able to sell it above its value : that is to say, above its individual value, but at the *average* value, which is higher than its individual value. He is therefore able to sell it at a price which brings in a greater margin of profit than the normal. On the other hand, the new method of production always involves more intensive labour, greater speed and concentration, or higher training, on the part of the worker. A higher wage is therefore necessary to attract the type of worker required, and to compensate him for the extra intensity of his work. As long as the capitalist is making higher profits than the normal, he is also able to pay the higher wage required. But before very long other capitalists adopt the same methods of production ; the average amount of labour used in the production of the commodity then falls to the level required by the new



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technique ; that is, the value of the commodity falls, and through competition the price follows suit. At this point the extra margin of profit taken by the capitalist who first introduced the new method disappears ; he reduces wages, cuts away established privileges, engages women and boys instead of men, and, of course, tries to introduce still newer technical methods of economising labour and thus winning back again the margin of extra profit.

It is just the same in the history of an industrial country. During the second half of the nineteenth century, when Britain was still "the workshop of the world," it was possible for British industry to extend its markets at the expense of handicraft industry. This was because machine-made products, involving little labour-time, were in competition with handicraft products on which more labour-time was spent. British capitalists were therefore able to sell their products in the colonies at more than their value, thus getting a high profit, out of which it was possible to raise the wages of certain sections of workers in Britain in order to maintain an increasing production. But towards the close of the century, when the competition of German and American machine-made products brought prices down in the world market to what may be called the machine-made level instead of the handicraft level, the extra profits of British capitalism disappeared, and the conditions of the working class have since been declining.

It is true that the tendency affects different groups unequally, in accordance with the particular

conditions of the industry from time to time, and with the degree of effective organisation of the workers in each industry. But the state of things which has prevailed in the coal and cotton industries for over ten years is steadily spreading through all British industries ; and the same general tendency is observable in every other capitalist country. And no other result is possible from a system of production and exchange, the motive power of which is the production of surplus value to be transformed into capital to produce more surplus value. The extra profit made by the introduction of new technical methods, which in themselves are weapons in the competitive struggle with other capitalists, becomes a whip for use against the workers, constantly forcing the employed workers to speed up production and at the same time reducing the total number of workers required in production. At the stage of general capitalist crisis the process of introducing new labour-saving devices, which formerly took place through the successive actions of competing capitalist groups, becomes a general and more or less simultaneous process for every monopolist group, and is given a new name : rationalisation. And because the process quickens its pace and becomes more or less simultaneous everywhere, its advantage for each separate group is lessened ; the mere saving of labour leaves the relative position unchanged, while it deepens the general economic crisis. A stage is reached when not even technical improvements and the consequent saving of labour can bring more surplus value ; the competition is so

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great that the price falls as rapidly as labour is saved. The competitive struggle then necessarily takes the form of sheer drive on the workers ; new technical devices become secondary to speeding-up, the abolition of established working conditions, reductions in wages and the lengthening of hours. The accumulation of capital, which in physical form means an increased application of machinery in production, becomes a powerful force for driving down the conditions of life for both employed and unemployed workers, instead of being the lever for raising the conditions of life for society as a whole.

But it is at this stage too that the conflict between the capitalists and the workers in separate factories and industries over wages and conditions of work widens out into a general conflict of class against class, a struggle of the working class to overthrow the system of production which holds back production and destroys material and human productive forces as a condition of its own continued existence.

The industrial working class, however, is not alone in this struggle. At the same time as the pressure of increasing accumulation becomes more and more severe on the working class in industrial countries, it tells also with increasing severity on the vast peasant populations of the more backward countries, and in general on the hundreds of millions who live by agriculture either as independent farmers or peasants or as labourers. Their impoverishment is the direct result of the same forces as bring poverty to the workers in the industrial areas, although the peasants and small working farmers are

not so directly bound up in the productive process of capital. But if they are not directly involved in the productive turnover of capital, if they do not depend on wages for their existence from week to week, they are none the less completely dominated by the laws of capitalism. The peasant or working farmer has to find money for the payment of rent or taxes imposed by the State, and often also to meet the interest on past loans. He is therefore no more his own master than the industrial worker ; half of his labour, perhaps even more, is always expended on the production of articles for sale, the proceeds of which have to be handed over in one form or another to the capitalist class. And while the colonial peasant may produce all his own requirements—not his absolute needs, but his needs as limited by his low productive capacity and the claims of rent, interest and taxes—the working farmer in industrial and semi-colonial countries can produce few of his requirements beyond food, and even that only partly. A large proportion of his production is always for the market. Both peasants and working farmers are therefore closely dependent on the state of the world market, which itself is conditioned by the laws of capitalism which have already been indicated. A crisis in capitalist production, with the consequent fall in employment and in the demand for the necessities of life, immediately brings down the prices of agricultural products. As a result, in order to pay rent, interest and taxes, the peasant or working farmer has to sell a greater proportion of his output than before ; if before he was slowly starving, now he

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starves quickly. The proportion of surplus products formerly sold for money with which to buy the products of town industry also falls, and the capitalist crisis is deepened by the lost orders.

But capitalist accumulation also affects the economic position of the working farmers and peasants directly. Just as in factory industry the large-scale manufacturer absorbs or destroys his smaller rivals by superior technique, so in agriculture large-scale farming with machinery (often provided by banking capital) necessarily brings the lower prices which make the position of the peasant and working farmer almost intolerable. Therefore the agricultural crisis shows itself first as a process of impoverishment of the peasants and working farmers, even while the capitalist farmers employing labour and working land on a relatively large scale are still able to sell their output at a rate which gives them a profit—that is, enables them to realise on the market the surplus value created by their workers. But while in town industry the large capitalist forces the small capitalist out of production, in agriculture the peasant and working farmer is not so rapidly forced out of production, because he has no other means of living. He continues to produce, even though the net product left to him after meeting the claims of rent, interest and taxes is not enough for physical subsistence. Epidemics increase in frequency and intensity ; and at the same time widespread movements of revolt develop. The fight against tithe payments in England and against foreclosures on loans in the United States are only less desperate forms of the

no-rent campaign in India and the emergence of the Soviet areas in China. And all of these are as much the necessary results of the capitalist system of production as the strike conflicts in industrial centres.

The working out of the laws of capitalist production therefore creates not only barriers to the development of production, but also brings into being forces within society whose struggle for existence becomes more and more a struggle to remove the barriers of capitalism, to abolish the laws of capitalist production and therefore to abolish capitalist production itself.

Only a small proportion of the working class in each country is fully conscious of the real nature of this struggle. Each successive local or partial conflict is a strike against some particular wage-cut, some particular form of speeding-up or other alteration of established working conditions. Each successive peasant rising is a revolt against some new form of taxation or increase of rent. As isolated incidents, similar strikes and risings have occurred all through the history of capitalist development. What is new is the fact that the general crisis of capitalism and its necessary consequences—the urge for rationalisation on the one hand, and the low agricultural prices on the other—have created a situation in which the conflicts are more continuous and far-reaching than in any previous period ; in which the solution of each particular conflict depends more and more on the open use of force. But these temporary solutions are of little avail ; the fundamental laws of capitalist production continue to work, throwing up new

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surplus value from the labour of a continuously decreasing number of workers, and presenting the capitalist class in every country with the same problem in a form which grows more and more acute with every temporary solution : how can new accumulation function as capital when already a large proportion even of existing capital is idle, because it can find no market for its products ? And the failure to answer this question leads inevitably to a stage in which partial conflicts merge in revolution.

## CHAPTER IV

### CAPITALIST SOCIETY AND THE CAPITALIST STATE

IT IS EASY to see the changes in current political ideas which arise from changes in the economic conditions of particular countries. It is a commonplace that the conception of free trade which dominated British political thought in the second half of last century was intimately associated with Britain's position as "the workshop of the world," before other industrial rivals developed. It is also a commonplace that the conception of protective tariffs has always been dominant in countries whose developing industry has had to meet the competition of more fully developed industrial countries. At the present time the ideas of economic nationalism are taking the place of those associated with the period of a developing world market. These current political slogans, and the whole system of ideas which are connected with them, change with the economic situation, just as at one moment the Frenchman is represented as eating frogs and at another the German is a Hun ; while one week the salvation of Britain depends on maintaining the gold standard, and the following week the abandonment of the gold standard opens for Britain an unending vista of prosperity.



It is not difficult to see that such governing economic and political ideas in each country present from time to time the interests of the dominant section of the ruling class in the form of principles, for which, after due preparation by the propaganda machinery of the ruling class, people are ready to vote and even to fight.

But apart from such current slogans, whose origin and purpose are sufficiently clear to most intelligent people, there are also more fundamental conceptions relating not to short-lived economic situations but to the economic system itself. Conceptions which appear natural and unquestionable, however, are no more eternal than the transient political slogans already mentioned ; like these slogans, they have arisen in the course of history, their origin is due to a particular set of circumstances, their actual content changes as the circumstances change, and the time comes when they are no longer applicable. For example, the conceptions of democracy, of personal liberty and the freedom of speech and of the Press, developed out of the struggle of the nascent capitalist class against the feudal system which it had to overthrow. The rising capitalist class set the idea of democracy against absolutism and the arbitrary rule of feudal monarchs ; it set the idea of liberty against the restrictions on traders imposed by the feudal lords and the guilds ; it set the ideas of equality and the equal rights of man against feudal privilege and rank ; it set the ideas of unrestricted science and philosophy against the trammels of the feudal Church.

When, however, the class which had inscribed

these ideas on its banners and had built up a whole system of argument and politics and philosophy around them, had succeeded in its struggle against feudalism, it could no longer use the slogans without changing their content. That all men should be free was a useful principle around which to rally the rising capitalists against arbitrary arrests and arbitrary restrictions ; but when the capitalists themselves had risen to power, the literal interpretation of the principle would have been fatal to it. It was the same with equality and fraternity : these ideas represented the demand of the rising capitalist class for political and social equality with the feudal lords, and for the fraternity of capital, which meant freedom of trade and trading association. Engels says in *Anti-Dühring* :

“ It is significant of the specifically bourgeois character of these human rights that the American Constitution, the first to recognise the rights of man, in the same breath confirmed the slavery of the coloured races then existing in America.”

As they were crystallised in the laws and customs of capitalist society, the ideas of liberty, equality and fraternity therefore became applicable in terms not of humanity but of capital. Equal masses of capital have a similar practical liberty, a similar practical equality before the law and in social life, and there is a fraternity between their possessors irrespective of creed and race. If pushed beyond this point, these ideas come into conflict with the laws of capitalist

production, endangering the division of classes on which capitalist production rests. A rich Indian prince or merchant therefore enjoys fraternal relations with his English peers ; but between the rich Englishman and the Indian coolie a great gulf is fixed. This gulf is as it were sanctioned by a system of ideas of the superiority of the white races and the inferiority of coloured races, which gradually acquire social force and find expression in the various forms of the "colour bar."

But although the notice "Chinese and dogs not admitted" is a crude expression of the limits to liberty, equality and fraternity in capitalist society, nevertheless the great division of the classes runs through every aspect of life and thought. Conditions which would be considered intolerable for the ruling class are not only passively accepted but actively defended as adequate for the working class. Housing, sanitation, medical services, education, food, clothing, working conditions and even entertainment have their divisions on a class basis. And these divisions become so much a part of the life of society that they are accepted almost universally as in some sense or other natural.

The fact that these class divisions are considered natural is not, however, itself natural, but is the product on the one hand of the system of production and on the other of an elaborate and conscious organisation of society. The subordination of the worker to the foreman, of the foreman to the manager, the manager to the director, and in a subtler form, of the director to the bank manager, and so

on in the hierarchy of capital to the richest financial and industrial groups, is crystallised in a whole series of laws and customs which bring down severe penalties on the heads of transgressors. The penalties are in the first place economic : dismissal or refusal of promotion to individuals who do not observe the rules ; encouragement, rewards and promotion to those who most loyally respect the established institutions and relations. Economic penalties are reinforced with social : the whole system of snobbery which divides the skilled worker from the labourer, the " black-coated " worker from other workers, the professional worker from the clerk, and so on. All of these divisions are carefully fostered in the educational system and in the clubs and social institutions of all kinds, while the capitalist-controlled Press, the cinema, the wireless, all play their part in maintaining an unquestioning acceptance of the existing hierarchy, and with it, of the existing system.

It is the same with all the institutions of science and the arts, history, economics and philosophy. They too have their hierarchies in capitalist society ; they too have their economic and social penalties for any line of thought considered dangerous to the existing system. And the control is not only exercised in a negative sense : it gives a positive direction, for example, to certain branches of scientific research. Through the endowment of laboratories by interested firms and also through State subsidies, considerably more research is devoted to gases for military purposes than to agricultural fertilisers. The art which receives economic and social encouragement is the

art of the Royal Academy ; the philosophy which ensures success in life is the philosophy of idealism, which in the last analysis supports the religious institutions and the "other-worldliness" which serves such a useful purpose in maintaining the passive acceptance of the existing system.

There is nothing strange or particularly revolting in all this. It is perfectly natural that the class which owns the means of production, the class which is interested in the maintenance of the existing system, should strive to control every aspect of the life and thought of society, encouraging here, suppressing there, thus by direct and indirect means securing its privileged position. It may even be said that this is a commonplace. But in an analysis of capitalism it is essential to state it, because without the understanding of capitalist control running through the organisation of society it is impossible to understand the real nature of the State in capitalist society.

It is only on the basis of such an analysis that it is possible to approach the question why existing class divisions are so passively accepted in capitalist society ; why, in short, the capitalist system continues, in spite of the fact that its economic and social failure is becoming more and more obvious every day. For all these carefully nurtured conceptions of the permanence of the existing order form the background to the actual operations of government through the machinery of the State, the political organisation of the ruling class.

In Britain the theoretical conception of the State which is carefully instilled through the educational

system and the Press and other institutions for the moulding of ideas in capitalist society, is that the State is a machine for the adjustment of social policy to the interests of the majority, which expresses its will through a democratically elected parliament. On the basis of this conception, it is maintained that the parliamentary machine gives the opportunity for democracy, for the mass of the people to influence events, to control society in their own interests. Like other conceptions referred to previously, this is taken as axiomatic ; it has become part and parcel of the ideology of capitalist society. Hence it is that large numbers even of those who see the intensifying contradictions within capitalism seek a solution within the system of ideas of capitalism : parliamentary democracy appears to them to be the sure method of doing away with capitalism and putting a new system in its place. The machinery is such, they argue, that the interests of the majority must prevail ; it is only a question of convincing the majority of the people that their true interests lie in the abolition of capitalism. Once the majority has been won over to this standpoint, the argument runs, the rest is easy ; the majority has only to express its views through the democratic machinery of parliamentary government, and at its command the walls of capitalism will fall. And yet, they say, even at that point the trumpet-blast must not be too loud : the aim of the reformers of the social order must be to effect a gradual and painless transition to socialism by the gradual modification of the worst contradictions and excesses of capitalist production, and the gradual substitution

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of socialist principles in one sphere of production after another.

It is true that all recent history is against such a conception of the capitalist State. The change in Soviet Russia was not brought about by such methods ; and in Italy and other countries, particularly Germany, a highly developed parliamentary machine of government has been swept away by the capitalist class itself. No one can dispute the facts : the question that matters is, what is their bearing on the theory of the State, on the question of the process of change from capitalism to a new social order ?

It is always possible to attribute anything that happens in the world to the arbitrary acts of individuals. But such an interpretation of events runs counter to the whole conception of science, of natural laws governing society as well as inanimate Nature. The Marxist analysis of capitalist society seeks to discover the fundamental laws which operate through the acts of different individuals in similar circumstances ; to trace the historical functions of social institutions and their development in the class struggles through which history has been shaped ever since society has been divided into classes.

Approached from this standpoint, the State machine at each stage in human history has been the instrument of the ruling class in maintaining its position of privilege. No one can doubt this of the dynastic and feudal periods ; and if the proposition seems doubtful when it is applied to the democratic State of capitalist society, it is only because of the

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whole background of ideas associated with the present system. It is true that there have been stages in which parliament functioned as the executive of the capitalist class in its struggle against feudalism. It is true that the conception of parliamentary democracy has played a real part in this struggle. But just as the ideas associated with democracy—liberty, equality and fraternity—became crystallised, after the victory of capitalism over feudalism, in terms of capital instead of humanity, so the idea of democracy itself became crystallised in democracy for capital. With the development of monopoly capitalism, parliamentary democracy—democracy for capital—lost its validity ; the dominant section of the ruling class could no longer control events through this machinery. A new apparatus of government was developed : a Cabinet with supreme power ; a well-organised civil service ; a police force and a standing army ; and with this, an educational system and other machinery for the guidance of public opinion. Parliament gradually sank into the position of merely one instrument in the ideological apparatus of the dominant capitalist section ; its function is to give the formal approval of “ the nation ” to policies and acts decided on by the most powerful industrial and financial monopolists.

The modern capitalist State is not parliament alone, but the apparatus of coercion : the armed forces, the police, the law-courts and prisons, besides the administrative apparatus of the civil service, central and municipal, and the ideological apparatus of the educational system, the Church, the capitalist



Press—and only then, parliament. For parliament can only carry out its function of maintaining the privileges of the dominant capitalists in so far as the combined pressure of the apparatus of force and the ideological apparatus of the schools and universities, the pulpit and the Press have successfully prepared the ground for it.

And if other sections of the State apparatus have failed to prepare the ground for parliament—in other words, have failed to secure a parliamentary majority which is ready to approve the policy of the ruling section of capitalism—then parliament and all democratic forms are swept aside and replaced by forms of open dictatorship. But though the forms are new, the capitalist State remains just what it was before : the instrument of force and propaganda to maintain the position of the ruling class. In Germany because the danger to the ruling class was serious, new State organs were created, using more open and brutal force, more hideous and revolting propaganda, than is normally used by the capitalist class in other countries. But it is not so very different from the force and propaganda used in similar circumstances in Italy and other countries, from the methods used by the Russian Tsars, or those used by Horthy in Hungary or by Thiers after the fall of the Paris Commune of 1871 ; or for that matter from the use of machine guns and gas bombs against striking miners in Mr. Roosevelt's own country in August 1933.

It is true that Hitler's fascism is sometimes represented as if it were not an instrument of the dominant

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sections of German capitalism but some middle force which, like the theoretical State of democracy under capitalism, holds the balance between capital and labour, curbs the rapacity of the rich at the same time as it stems the rising tide of working class revolt. That it used such propaganda in the preparatory stages is true. But each week that passed after fascism was established in Germany made it more evident that Hitler and his storm troops are merely the instruments of the dominant section of German capitalism. On August 6, 1933, the *Observer* summed up the position as follows :

“ Herr Wagner’s latest call to discipline, coming after Hitler’s warning that the ‘ revolution is finished,’ may make some of their simpler brethren wonder if there has been a revolution at all. Herr Hitler has put out his hand and turned right. His new economic adviser, Herr Schmitt, is now discussing the Nazi plan for ‘ nationalising all trusts ’ with that noted revolutionary : we mean Herr Thyssen, the Ruhr industrialist. Herr Darre follows suit by assuring the Junkers of East Prussia that ‘ no estate shall be touched, no matter how big.’ National Socialism, in the economic field, is beginning to look uncommonly like the nationalism of Hugenberg.”

The characteristic forms of fascism are its overthrow of parliamentary institutions, its suppression of rival parties, its political murders and brutalities and imprisonments, its suppression of the hostile

Press and of all rival organisations, its searching of mails and listening in to telephones, and its revival of what can be called a militant nationalism. It is natural that everyone of the slightest humanitarian pretensions should feel outraged at these acts of the fascist government, which conflict with the conceptions of self-government, freedom of political thought and speech, freedom of the Press and of organisation, and the value of unrestricted thought and expression in every field.

If therefore the analysis of capitalist society shows that all these democratic conceptions are more or less illusory, this does not mean that fascism is a less monstrous outrage on humanity, but merely reveals the true nature of the capitalist State and shows fascism as the logical development of tendencies already finding expression in "democratic" capitalist society and coming more and more into use as the economic decline of capitalism faces the ruling class with increasingly difficult problems.

Parliamentary democracy is usually conceived as an institution which gives every man and woman the right to share in the government of the country ; and with it is linked the individual's right to share in the control of local government. In normal circumstances in Britain, the individual voter has the right to vote once in five years for a representative in Parliament. It is true that even this right may be restricted by the actual type of candidate for whom the individual has the opportunity of voting ; the fact that a deposit of £150 is necessary before a candidate can stand for election, and that such a

candidate must also find several hundred pounds to run an efficient election campaign, severely restricts the possible number of candidates in most constituencies. A political party which desires to put forward candidates in every constituency in a general election must find an initial sum of over £90,000 before its candidates can be nominated, and at least another £300,000 to run the campaign efficiently. It is obvious therefore that this form of democracy disfranchises large numbers of voters.

But this is as nothing to the other restrictions on democracy. The conception of democracy, as has already been pointed out, is bound up with the other democratic conceptions of free thought, free speech and a free Press. But from an early age the voter's thought and speech and Press are very far from free. The educational system of the country is more or less rigidly controlled by central and local institutions which are overwhelmingly capitalist in their personnel and outlook. Loyalty to the existing order of things is very nearly as essential a qualification for teaching children as it is for commanding the police or armed forces. Teachers who think differently are continuously being weeded out or intimidated into not saying what they think. Text books are selected which tend to create in the pupil's mind the general sense of rightness in the existing order : to inculcate patriotism and loyalty to King and country, respect for superiors in life, admiration of titled people and of great business men. The children themselves are carefully watched, and the most loyal minded find little difficulty in securing work when

they leave school. The selection is even more careful in the higher educational institutions, especially in those for the training of teachers and of civil servants and officers for the armed forces. Though the whole process of selection is less crude than in fascist Germany, Socialists and pacifists and in general "disloyal" people are kept out of positions which are important for the maintenance of the present system.

Freedom of speech is open to all : provided that nothing is said which may endanger the existing system. It is true that people who violate this golden rule are not shot ; they merely lose their posts if they are spreading their views among their fellow-workers ; or if they speak at street corners, they are continuously watched by police or detectives, and are arrested for obstruction or for using some phrase which gives the opportunity for a prosecution. To discuss not only socialism but even the improvement of conditions with a member of the armed forces is punished with a long term of imprisonment—even if the conversation has been started by the member of the armed forces as a *provocateur*. Detectives hang round every working class meeting, taking notes of who the speakers are and of what is said. It must not be supposed that this applies only to meetings of the Communist Party. In August and September 1933 the London busmen held a series of meetings to organise opposition to a threatened wage-cut ; at every one of these meetings detectives were present. Detectives are almost always present at strike meetings. Owners of halls are warned not to let their

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premises to " dangerous " organisations, and this interference is often effective, in one case the owner of a building where a strike committee had its headquarters was induced by the police to cancel the arrangement. A certain cinema was warned by the authorities that they would not be responsible for the consequences if the London Film Society was allowed to show the film " Storm over Asia " to its members. The list of interferences and attempted acts of intimidation by the police or watch committees could be continued indefinitely.

It is not widely known that the correspondence not only of communists but of " Lefts " generally is systematically held back at the post offices and opened, read, sometimes photographed, and resealed before delivery. It is not widely known that records are made from this correspondence ; that detectives are often sent round to the houses of communists to intimidate their wives or landladies, or to the place of employment to warn the employer. It is not widely known that the telephones of organisations and individuals thought to be dangerous to the existing system are regularly tapped. It is not widely known, in short, that the British State has little to learn from the fascist State except in the actual degree of force and brutality used ; and anyone who has witnessed a baton charge on unemployed, or a mounted policeman riding after a demonstrator in Hyde Park, will realise that even this exception is not absolute.

Hitler has destroyed the trade unions in Germany ; in Britain the democratic State permits and even

encourages them. How is this possible, if even in Britain the State is the instrument of the ruling class ? To a certain extent the recognition of the trade unions in Britain has been due to the actual strength of the workers' organisations in relation to individual employers. But just as the extension of the franchise in Britain was accompanied by the erection of a more and more highly elaborated machine for controlling public opinion in the interests of the ruling class, so the extension of the powers of trade unions was accompanied by an equally elaborate mechanism of control. The more highly centralised the unions became, the greater the membership, the more their officials became separated from their members by the same system of influence as is brought to bear on Labour members of parliament and of local bodies. The officials are constantly meeting the employers and enjoying their hospitality ; they are drawn into innumerable government committees ; they are used for public functions of all kinds, and no effort is spared to encourage and even reward those officials whose outlook is closest to that of the ruling class. In the period when Britain enjoyed the virtual monopoly of world trade it was also possible for the ruling class to raise the standard of living of the highly skilled and organised workers—particularly of those who were of special importance in the maintenance of the system, such as the police and printers—and thus to draw them into support of the existing order. Through the systematic use of these methods the ruling class has been able to use the trade union organisations as channels for the

dissemination of capitalist ideas, for the propagation of the idea of the unity of interests between capital and labour—in its later stages, Mondism—and for the suppression of militant movements among the workers. Up to the present in Britain, after their early fights as class organisations of the workers, the trade unions have proved useful to the ruling class ; but if the stage is reached in Britain, as it has been in Germany, when the trade union machine is no longer useful in holding back the tide of revolt, it will be thrown on to the scrap-heap as remorselessly as any other institution which the capitalist class has hitherto been able to use in its own interests. Already the Trade Union Act of 1927 has set up legal barriers to the use by the trade unions of their strength as fighting organisations ; the extension of these barriers will be decided not by considerations of democracy, but by the needs of the ruling class in a situation which is growing more and more critical.

If freedom of thought and speech and organisation has its limitations, the freedom of the Press is in no better case. Here too there is absolute freedom—provided that nothing is printed which is dangerous to the existing order. The laws of libel, sedition and contempt of court severely restrict what any opponent of the existing order is at liberty to print ; the great cost of production and distribution restrict the size and circulation of a working class newspaper ; the wholesale newspaper trade refuses to handle it, and few capitalist concerns are prepared to advertise in it. Formal freedom is therefore coupled with legal and financial restrictions which are perhaps little less



effective than definite legal prohibition. But these are only the negative aspects. In a "democratic" country the machinery for cultivating the capitalist outlook is mainly positive: the continuous propaganda of papers with a circulation running into millions, the continuous use of the cinema, the wireless, the pulpit, the school and the university to din into the minds of the people sentiments of loyalty to the existing order and correct judgments in matters of current policy.

In relatively normal periods, of course, the Press is left to its own devices; that is to say, the loyalty of its proprietors to the existing system can be trusted to ensure the correct treatment of current news, the correct bias in what news is given, in articles and in published correspondence. But at times of emergency and in connection with specially important events the policy of the ruling class is laid down at official Press conferences or in official communications to the Press; newspapers are asked to suppress this, to emphasise that, so that public opinion may be given the necessary uniformity and purpose. At times of still greater emergency—war or a general strike—the open censorship steps in, and the suppression or prosecution of offending papers completes the picture.

The exercise of the vote at parliamentary or local elections cannot be considered as a "democratic" act in isolation from the whole process of control which has preceded it. The Zinoviev letter of 1924 was merely a specially concentrated form of the continuous propaganda which fills the capitalist

Press. This propaganda is not entirely unrelated to such an act as the burning down of the Reichstag : that it is usually less crude is not due to any " democratic " principles in the British ruling class, but merely to the fact that up to now the more subtle methods have proved more effective. Everyone knows that during the war the propaganda machinery against the Germans was as unscrupulous as Goebbels' propaganda against the communists ; and for that matter the Zinoviev letter was of the same character as the " inflammatory material " which Goebbels " found " in the communist headquarters in Berlin.

The careful training of the voter to exercise his democratic rights in favour of the existing system is followed up by a more intensive training of the elected representative, if by accident he does not already see eye to eye with the ruling class. The democratic machinery of Parliament allows little scope for individuals to go against the stream ; but nothing is left to chance. Apart from the deadening influence of procedure within the House and Committees, Party meetings and Party whips soon undermine any unwelcome tendency, and this process is carried on in the smoking-room and on the terrace, at luncheons and dinners and all kinds of social functions, until the elected representative reaches a frame of mind in which he is at all times ready to agree that the ruling class owes its position not to its wealth and privilege but to its charm and tact, its loyalty to the King and its devotion to all that is best in the long story of our far-flung Empire. Once in that

frame of mind, the elected representative of workers thoroughly discontented with their lot under the existing system can be trusted to rally to the defence of the existing order in any crisis, to proclaim the obvious identity of interests between workers and capitalists, to uphold the constitution and join in the denunciation of bolsheviks and reds. In some cases the treatment is long, and the patient has occasional relapses ; but in the vast majority of cases the cure is infallible. So it is that firemen and miners can rise to high positions in the capitalist State : where again they come under the controlling care of the selected and highly paid officials of the Civil Service.

The higher ranks of the Civil Service, especially in the Treasury, Foreign Office and War departments, are filled by the most careful selection. Before 1870 important posts in the Civil Service were filled by the Patronage Secretary of the Treasury, who distributed the appointments among those members of parliament whose votes were to be influenced or rewarded. This was a very simple system of maintaining control in the right hands ; but it presupposed a parliamentary system in which the ruling class was directly and overwhelmingly represented. The 1867 Reform Act extended the vote to working men ; and in 1870 the patronage was transferred to an "independent" Civil Service Commission—in the words of Mr. Graham Wallas, "interpreting, like a blinded figure of Justice, the verdict of Nature"—selecting candidates by free and open competitive examination, the practical prerequisites of which were however a university training and

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considerable social backing. It is this Civil Service, carefully selected in the first place and even more carefully allocated and promoted, which "advises" the Ministers of the Crown when this advice is required.

But if at any point the constitutional machinery begins to creak, to work against the interests of the ruling class in spite of all preparation of the electorate and training of the elected representatives, so much the worse for the constitutional machinery : it is simply swept aside. In Britain this has happened up to now in a few cases of local government bodies, such as the supersession of the elected Guardians at West Ham in July 1926 by commissioners sent down by the Ministry of Health. With the increasing mass of unemployment the former constitutional machinery for the administration of relief was swept aside, and a more trustworthy machine was established in the Public Assistance Committees. In the areas where these have failed to carry out the policy of the ruling class, they too have been swept aside : they have been suspended and government commissioners have taken their place.

It would be completely wrong to say that there is no difference between these commissioners and the Nazi commissioners who are now representing the Hitler government in all areas and institutions of Germany. But it would be equally wrong to miss the essential common factor : the sweeping away of democratic forms when the democratic machinery threatens to work against the interests of the ruling class.

The parliamentary machine in Britain has hitherto worked faithfully enough. The Labour Party has been thoroughly trained, and has even been entrusted with office. At points when it seems desirable to have the government in still safer hands, a well organised campaign can still do the trick : the Zinoviev letter of 1924, the national campaign to save the £ in 1931. But even in Britain changes have been necessary ; Parliament itself is becoming of less and less importance even as a formal machine. There has been a continuous process of centralising authority in the hands of a small Cabinet ; and the authority of parliament is delegated to Ministers in Act after Act, in such a way that the dominant section of the ruling class can alter policy from month to month without the vexatious delays of having to submit it to a democratic machine. Orders in Council are becoming more and more comprehensive—like the D.O.R.A. of the war. Under the Emergency Powers Act, the complete suspension of civil liberties can be decreed by an Order in Council.

And if this is the position of the democratic machinery of government in normal periods, in times of danger to the existing system all pretence is cast aside, as in the war. But not only in international war : during the General Strike of 1926 a completely new machinery of government was established throughout Britain : Commissioners with full powers were appointed in different districts, the armed forces were mobilised, special police forces were enrolled, and hundreds of arrests were made.

The Marxist sees in the supersession of democratic

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machinery at points where it threatens to fail the ruling class, and the open use of force whenever there is danger to the ruling class, not any surprising reversion to absolutism but merely the normal change of form which the capitalist State assumes in a crisis threatening the ruling class. Neither democracy nor fascism alters the fact that in capitalist society the State apparatus is the machinery through which a small class owning the means of production maintains its privileged position, maintains the system of producing surplus value, irrespective of its economic consequences for the mass of the people. The educational machinery, the Church as an organisation, the Press, the wireless, and all the other means of influencing opinion are the first methods used ; but when these fail, the real power behind these democratic forms comes into play : the repressive machinery of the law, the police and prisons in individual cases, the armed forces when the threat to capitalist policy and safety is on a large scale.

The answer to the question why the capitalist system continues in spite of its economic failure is therefore to be found in the control by the capitalist class of the machinery of the State : of the apparatus which controls the thoughts and actions of men and women by propaganda on the one hand, and when this fails, by force.

It is this analysis of the capitalist organisation of society which leads Marxists to the conclusion that the change to a new society cannot be carried out except by force ; that the only way to solve the contradictions of capitalist production, to put an end to

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the class conflicts and international wars which are inseparable from capitalism, is for the working class to take power by revolutionary action, to destroy the capitalist State machine and carry through the change to socialism. The revolution does not develop automatically out of economic crisis or even out of international war, but is brought about only by the conscious organisation of the workers for the purpose of seizing power at the point when economic crisis or international war—invariably developing under capitalism—has weakened the control of the ruling class and shaken the capitalist organisation of society to its foundations.

## PART II

### COMMUNISM

Marxism opposes to the existing capitalist system a new economic order : socialism, on the basis of which a communist society will develop. "Between capitalist and communist society lies the period of the revolutionary transformation of the former into the latter." The period of transition is the subject of Part III of this book ; the following section deals with the ultimate form of society towards which the revolutionary transformation leads. Of necessity, it can only be an outline : the details must be filled in as the process matures. But the statement of the general character of communist society is essential to an understanding of the transition period and its stages ; on the other hand, the reader must not lose sight of the fact that the society here outlined cannot arise overnight, but only in the course of a long period of transition.



## CHAPTER V

### COMMUNIST PRODUCTION

IN EXISTING capitalist society the technical processes of production and transport are carried out by the workers ; these processes are social in the sense that they are collective and interdependent on a world scale. In communist society the general nature of these processes remains unchanged. Workers will still plant cotton and dig coal and transport them to places where they are used either for further industrial processes or for consumption, for use by groups or individuals. In so far as the actual operations necessary for production change, this change will be in the direction of greater efficiency, a reduction in the total labour which society must devote to the satisfaction of its needs. There will be no question of reverting to the spinning wheel and other individual instruments of production ; the collective, social methods will be retained and extended. The technique of production will in fact be raised to a level hitherto unknown, because certain conditions which have acted in capitalist society as a drag on technical advance will no longer exist, and new conditions will operate as a tremendous driving force in the direction of improved technique and the saving of social labour.

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On the other hand, the organisation of production will be completely different from what it is in capitalist society. In the capitalist system of production all the technical processes carried out by the workers depend on auxiliary processes carried out by the capitalists : processes the object of which is not the production and transport of things, but the securing of profit and its accumulation as capital to yield more profit. This aim has been the driving force in capitalist production ; it has also developed negative effects, which have slowed down and stopped production.

Communist production differs from capitalist in that the means of production and transport are owned not by any narrow class or group within society, but by the whole people ; and therefore the product, the result of the social processes of production, will be at the disposal of the whole people. Production will be no longer controlled by the making of profit ; society will produce for the sake of using the products. And profits will be replaced as the regulator of production by a definite plan of production, drawn up to meet the needs of the whole society.

It is necessary to make it clear from the first that this and the following chapter deal with the goal to be reached, the new organisation of society when it is working in every sphere. The detailed forms of organisation cannot possibly be known now, but can only be worked out as the result of a long experience. But while any attempt to describe the detailed organisation of communist society must be utopian

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and valueless, yet the main features of the new society can be stated, because they arise out of modern conditions of production and represent the adaptation of the productive system to the needs of modern large-scale industry. Moreover, the main features become clearer and more definite in the course of the actual change from one system of society to the other ; for although complete communism cannot be reached overnight, but only after a long process of transition, from the first stage of the transition the distinctive features of communist society begin to emerge. The purpose of this and the following chapter is therefore not to construct any utopia, but to state the general nature of communist society, by way of introduction to the later chapters which show the stages of the transition period and in this way make more clear many of the conceptions which, approached from an abstract standpoint, may seem utopian.

The statement that in communist society production will be carried out to meet the needs of the people does not mean that each individual will make what he needs, or that individuals who produce a particular product, as miners produce coal, will have the coal at their disposal. On the contrary : production with the aid of large-scale means of production owned by society as a whole will yield products also owned by society as a whole ; and these products will pass into the individual ownership of the members of society only for consumption, for use. At the same time, the individual members of society will never have at their disposal, for their

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individual consumption, "the full product of their labour," everything that they produce. In *The Critique of the Gotha Programme* Marx pointed out that the total social product of each year could only be available for individual distribution after the following deductions had been made :

"First : reimbursement for the replacement of the means of production used up.

Secondly : an additional portion for the extension of production.

Thirdly : reserve or insurance funds to provide against misadventures, disturbances through natural events, and so on."

Production to meet the needs of society must therefore cover these items as well as the individual needs of all members of society. The plan of production, which in communist society is the direct guide to the work of every factory and mine and other unit of production and transport, must provide for all these items. But how will the quantities and types of product be determined ?

Will the food requirements, for example, be determined by a scientific investigation of the calories and vitamins necessary to maintain men, women and children in a fit state of health ; will the requirements of clothing be laid down for each category of human beings ; and will the quantities and descriptions of food and clothing thus "scientifically" ascertained be produced and issued as, for example,

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food and uniforms are issued to soldiers in the army? This idea of the basis of distribution in communist society is a complete travesty of communism. The rationing of certain foods may be a necessary measure in certain circumstances, as for example in most of the belligerent countries during the war and in the Soviet Union since the war. But it is no more communism than it is capitalism.

On what basis, then, will individual needs be estimated for the purpose of the plan of production? Not in any arbitrary way, whether supposedly scientific or not. What society needs, in food and clothing for example, is what it wants: not only in total quantity but in variety. Naturally these wants will be very different from what they are to-day. The "wants" of existing society which are bound up with the domination of one class will disappear: court dress, judges' wigs, and in general forms of clothing which represent privilege or "respectability" will not be included in the plan of production because no one will want them. Similarly, the "wants" of existing society which are bound up with the subjection of one class will disappear: cheap and worthless boots and clothes and furniture and even food whose market is poverty. It is probable also that individual wants will be very much simplified in some items, such as clothing, and very much extended in others, such as books. But whatever these wants may be in any particular year will form the basis of the plan of production for distribution to individuals. And the problem of ascertaining these wants—or to put it more accurately, of

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estimating them for the purpose of the production plan—becomes a statistical problem, in which the likes and dislikes of the individual members of society are all important, and the likes and dislikes of the statisticians are completely irrelevant.

The drafting of the production plan in a complete communist society is therefore based on a statistical network which records the actual consumption of each type of article in the period before the preparation of the plan ; which estimates the trend of consumption of particular articles, and thus arrives at an estimate of the actual requirements of the following year or whatever period is found most practicable for a plan. The estimate of consumption goods required does not differ in principle from the estimates which are always being made by individual concerns in capitalist society ; for example, the estimates made by large department stores in preparation for each " season."

It is true that the estimate of requirements for the whole of society is infinitely more complicated than a similar estimate for the patrons of a single shop. On the other hand, it is also far easier to prepare, for the reason that the conditions of communist society will be far more stable than the conditions of capitalist society. Fluctuations in demand which are due to capitalist crises will not have to be guarded against in communist society. In capitalist society tastes or rather actual demands change with changing income, and particularly as the result of unemployment ; in communist society the trends in taste would not be subject to this " interference." And

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because of the unity of interest in the distributing organisation, it would be easy to maintain central reserves to meet unexpected fluctuations in demand or to transfer stocks from one area to another. The sheer vastness of the estimate of all the needs of society is broken down by decentralisation, particularly the division into economic regions which is outlined later.

If individual needs of food and clothing can be estimated on the basis of past records, the problem is no more difficult for other material needs : lighting, heating, or even more generalised needs such as transport services. Statistics of actual consumption in past periods, and calculation of the trend, can provide as satisfactory a basis for an estimate of holiday cruises wanted as of the need for butter. And, from a practical standpoint, this is also true of cultural needs. Provision for cultural needs in a production plan means provision for the material necessities for culture : in education, crèches and kindergartens, schools and universities and their equipment ; in sport, grounds and buildings and their equipment ; in music, drama, art, the material equipment necessary ; in literature of all kinds, paper, ink, printing machinery. These material necessities of culture can be estimated in exactly the same way as any other material needs.

The production plan, therefore, includes as its first element the total of the actual wants, physical and also cultural in so far as they involve material needs, of all the members of society. But this is only the first element in the plan. It is also essential that

the plan should provide for future needs : the maintenance and extension of the means of production, and also reserves. How will these be estimated ? Marx says " their magnitude can be determined by existing means and forces and partly through the calculation of probabilities." In other words, when communism has been fully established—that is to say, when there is no longer any question of deciding how much of each year's production can be consumed, and how much must be " saved " in the form of means of production—the statistician must allow for the depreciation of the existing means and forces, and he must then, in conjunction with his estimates of needs for individual consumption, also estimate the probable trend of demand and therefore the probable requirements of additional machinery. The needs of society will be constantly expanding, and with them, even before them, the means of production must expand. And if the estimates of need may err, if sometimes the means of production provided in anticipation of expanding needs may not in fact be fully required, if sometimes the provision turns out to be inadequate, no one can seriously doubt that even from the first such estimates will give far more accurate results than the chaotic interplay of separate interests which governs the extension of means of production under capitalism.

It is the same with reserves, whether of means of production or of articles of consumption. Unexpected fluctuations of demand can be largely met out of reserves ; provision for the building up of reserves is, in the last resort, also a statistical question.



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This is obvious in the case of reserves to cover deficiencies due to natural events, such as a drought or other natural calamity which upsets all estimates of current production. But also reserves needed to cover fluctuations of demand, of taste, can be reduced to statistical calculations.

It has already been said that the collective aim of society will be to reduce the time required for the production of the material needs of life, thus constantly giving more time to every individual for leisure and cultural development. In what form will this appear in the plan? And if for example a new type of machine is invented which reduces labour-time in some branch of industry by one-half, who will decide whether it is to be introduced, and how rapidly? That is to say, how much labour must be used in the following year for making these machines: labour which in that year would be additional to what was needed, but which would lighten the burden of labour in later years. At first sight this question seems to be outside the range of statistics. And so it is during the transition period, when as yet every question of production is a question of *tempo*, of the rate of progress towards communist society. But in a complete communist society the question would not present itself in the same way. Year by year means of production would be provided for in the plan, partly to cover depreciation of existing plant, partly to meet increased needs of a particular product. And the new production of each year would embody all the technical improvements known at that time. There would be no question of patents, of

low wages with the old method counterbalancing the saving of labour by using the new. Therefore there would be a constant use of new technical methods, and the rate at which they were introduced would depend on the rate of replacement and extension in each particular industry. From the moment when the general level of productive forces had been raised to a height adequate to meet the needs of society, further increases in efficiency would simply be incorporated in the new means of production as they fell due in the regular working of the plan. There will be no need to think of pushing ahead with new technical methods or increasing the total means of production for political or military motives ; though in the transition period these may be necessary measures of security against war and blockade. But in so far as special provision is made in the plan for technical improvements apart from the normal replacement and extension of machinery, this will always take the form of provision for technical research, which will be constantly and systematically preparing the way for new technical advances which will enable the increasing needs of society to be met at the same time as it gets more leisure.

The plan as a whole, therefore, in its two sections of articles of consumption and individual use, and means of production and transport, contains no factors on which the drafters of the plan would have to make arbitrary decisions. The elements of it are given by statistical data, adjusted by taking into account estimates of trend, themselves indicated by

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statistical data. The elaboration and co-ordination of the statistics will be gradually made more perfect in the course of experience ; the estimates of trends will be made earlier and more accurately ; the provision for new means of production will cover needs more accurately ; but from the first the plan will be working in the very definite sense that provision will have been made in it for the overwhelming majority of the needs of every individual, and that any shortcomings, whether errors in estimates or failures in production, will be of partial, probably only local, importance, and will be gradually put right.

The special characteristics of the new mode of production can be seen by contrasting the actual results of overproduction or underproduction in communist society with the results that necessarily follow from these in capitalist society. In capitalist society underproduction in relation to effective demand—purchasing power—for any particular product leads to prices rising above the cost of production and therefore to profits in that particular branch of industry rising above the average. The result, though tempered by monopoly in the later stages of capitalist development, is necessarily a sudden spurt in production on the part of all producers, and the rush of new capital into that branch of industry, resulting in a general increase of output completely unrelated to the general economic situation or to the particular factors which caused the temporary underproduction. Overproduction necessarily follows, with a fall in prices, the slowing down

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of production, and the deliberate destruction of products and means of production in order to adjust the supply to the demand. In a communist society, neither underproduction nor overproduction would have any such results. If more articles of a particular kind are required than have been produced, it is conceivable that some temporary rationing would be necessary, but there would be no economic consequences starting a whole chain of disorders. Actually, the shortage would be realised in communist society at a much earlier stage than in capitalist society, owing to the more complete and regular statistics which are a necessary part of the system. But whenever it was realised, the plan of production would be adjusted to meet the additional need, perhaps with one new factory instead of the ten which competing capitalists would have thrown up. And in the case of overproduction also there would be no chain of economic consequences bringing further disorder into production. The rate of production in the industry concerned would be slowed down so that the excess of products would be absorbed ; probably the technically backward factories would be stopped ; but there would be no reduction in anyone's standard of living as a result, and therefore no further consequences in the nature of a fall in demand for other products.

The working out of the details of the plan, once its contents had been determined, would be a technical matter again not dependent on individual likes or dislikes or interests of any kind, and therefore not requiring any decisions of a political nature. To

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work back from the finished products required to the various raw materials and instruments of production needed to produce those quantities of products is a vast and complicated piece of work only if society has no basis from which to start. But in fact the statistics regularly collected provide this necessary basis. It is the same with the transport that is necessary in the various stages of production. The makers of the central plan—and as will be shown later, there will be a very considerable degree of decentralisation—will not be working in the void. It will be a case of making adjustments year by year to a given level of production by existing factories which obtain definite quantities of raw materials from other factories or mines, by means of definite railway lines or shipping routes. The really difficult part of the whole process is the gradual compilation of statistics sufficient to form the basis of the first plan ; but this is already done during the period of transition, and at the stage of complete communism the adjustments of quantities are relatively simple technical questions in which no fundamental errors are possible and the solution of which will gradually become easier and more accurate.

The need to include in the plan for any particular country articles of consumption, raw materials or means of production which for one reason or another must be imported from other countries presents no special difficulty. The experience of the Soviet Union shows that in spite of all political obstacles trade has been possible with outside capitalist countries. That experience, in any case, belongs to the transition

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period. When communist society exists in more than one country—eventually all over the world—transfers of products between these countries will be provided for in the production plans. Whether there will be one single economic plan for the whole world, or whether there will be a series of plans for the different countries or areas (not necessarily the areas of existing States) is a purely practical question. In any case, there would necessarily be a co-ordinating plan for imports and exports, and similar provision would have to be made in the plans of the separate areas. In the earlier stages, the basis of exchange between different communist societies would be the amount of labour embodied in the products. But in principle communist society knows no barriers of race or nationality ; and when communist society in fact existed all over the world, the measurement of products contributed to world requirements as between say Britain and India would be no more necessary than the measurement of contributions made by Hampshire and Yorkshire to Britain's requirements. Just as in the plan for Britain certain items required would be allocated for production in Hampshire or Yorkshire in accordance with the natural resources and existing means of production in each county, so in the world plan a similar allocation would be made between different countries. And the raising of the productive level in India to that of Britain or any other country would be as essential a part of the world plan as the raising of the productive level in some backward British industry would be in the plan for Britain.

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What will be the machinery through which articles of consumption are made available to individuals? In a society in which production is planned to meet the needs of society as a whole, and the geographical distribution of the products is planned to meet local needs, there is no need for any elaborate machinery of distribution. Every individual is entitled to take whatever he needs from the local stores; there is no question of payment—money is not required at any stage. In the transition period, even after the whole of production is planned, money is needed so long as the total social product is not sufficient to meet the needs of society, and so long therefore as some form of limitation of consumption is necessary. But when the productive level has been raised further, and not only the most essential services—education and health—but also all other services can be provided wherever there is need, the sphere in which money as a form of rationing is still required gradually contracts, and eventually money disappears. All that is then required is a record of what is wanted, statistics of goods and services used, in order to enable the production and distribution plan to be continuously adjusted.

At the same time, society as a whole will necessarily require all its individual members, within the limits of age and health, to take their share in the actual work of production or in the provision of services required by society. This means that alongside the plan of production there must also be a plan of the distribution of labour resources; and each modification of the plan requires also

some redistribution of labour. How will the plan of labour distribution be built up?

Once again, the makers of the plan will not start from the void. The unit of production, the factory or mine or depot, has a certain number of workers attached to it. This number of workers is one of the factors taken into account in the allocation of work to that particular factory. The normal expansion of production required will be met normally from the increase of population combined with the greater efficiency of labour. But if temporary additional labour forces are required, it is clear that in a society in which every individual was normally taking part in production, any addition to the labour force at one factory could only be met by the withdrawal of forces from other factories—a transfer of labour from an industry which was outstripping demand or had adequate stocks to the industry in which more output was immediately required. Such transfers are constantly taking place in capitalist society. In capitalist society workers are constantly being dismissed from one factory or mine, and are lucky if they can find employment in another. This is not a new phenomenon, although in the present stage of capitalism it is assuming vast proportions. In *Capital* Marx traced the development of the specialised labourer in the historical growth of productive industry, and drew the conclusion that, in contrast with handicraft and manufacture,

“Modern industry never looks upon and treats the existing form of a process as final. The technical



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basis of that industry is therefore revolutionary, while all earlier modes of production were essentially conservative. By means of machinery, chemical processes and other methods, it is continually causing changes not only in the technical basis of production, but also in the functions of the labourer, and in the social combinations of the labour process. At the same time, it thereby revolutionises the division of labour within the society, and necessarily launches masses of capital and of workpeople from one branch of production to another."

The demand for the mobility of labour and for the abolition of lines of demarcation between trades is in fact constantly made by employers to enable them to take full advantage of new industries and new technical methods ; and as the volume of unemployment increases, it becomes more and more necessary for the individual worker to be able to turn his hand to anything, or a slight technical change may throw him on to the scrap-heap for ever. This pressure on the individual worker to widen his abilities is the result of the high development of the productive process, the revolutionary urge of modern industry as it manifests itself within capitalist society :

"Modern industry, indeed, compels society, under penalty of death, to replace the detail-worker of to-day, crippled by life-long repetition of one and the same trivial operation, and thus reduced to the mere fragment of a man, by the fully developed individual, fit for a variety of labours,

ready to face any change of production, and to whom the different social functions he performs are but so many modes of giving free scope to his own natural and acquired powers.”

In communist society this requirement of modern industry—of man’s progress in his struggle with Nature—will be met consciously instead of blindly as in capitalist society, where it takes the form of constant class struggle against rationalisation, the breaking down of established customs and standards of living, and constant unemployment. In communist society it will be met, as Marx foretold, by the all-round development of individuals, who will not only have the ability but the wish to change their occupation in accordance with the changing needs of society, because it will give them the opportunity to develop their mental and physical capacities by many different kinds of work.

With workers of this type “forced labour” will be a totally inapplicable conception. They will regard the planned distribution of labour which is an essential part of the planned regulation of production as something quite natural, a part of the life of society, something valuable, which gives them constantly new experiences and new chances of development. This mobility of labour will not apply only as between different factories and different industries, but also as between what are now the various crafts, including the various grades of clerical work and management. But this is a point which can only be developed later, in connection with the actual changes

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which take place during the transition from capitalism to communism.

There is one feature of the communist organisation of industry which requires to be brought out in both its national and international aspects. The present geographical distribution of industry, both in the world as a whole and within each separate country, is the result of a long historical development of capitalism and the gradual displacement of pre-capitalist forms of production. The relatively early development of industrial capitalism in Britain made Britain "the workshop of the world," and although many other workshops have since risen round this original one, in relation to colonial areas Britain is still an industrially advanced country. All colonial areas in the main produce food and raw materials for their industrially developed "motherlands." From the economic standpoint alone this division of economic function is tremendously wasteful; its other aspects must be dealt with later. An immense volume of unnecessary transport is involved, with all its implications in the building and maintenance of ships and docks and warehouses: in total, a vast aggregate of unnecessary labour.

It is the same within each country. Owing to the haphazard connections formed in capitalist society between particular capitalists or groups, products are constantly being transported unnecessary distances. This point was particularly brought out in relation to coal during the war, when the British Government found that immense transport economies were possible by rearranging the distribution of

coal so that requirements were met from the nearest coalfields. The same point holds good of many other industries ; but apart from the distribution of products, the areas of production themselves have largely been determined at random, or as the result of conditions which no longer hold good. It is true, of course, that the position of certain industries is determined by the presence of raw materials or proximity to fuel supplies ; but this is not true of most of the lighter industries, as the drift southward has shown in Britain. The virtual concentration of the cotton industry in Lancashire, of the woollen industry in Yorkshire, of the boot and shoe industry in Northampton and the surrounding towns, has had its historical causes but is no longer economically justifiable. The virtual separation of cotton spinning from weaving, and of both of these from the finishing processes, is another example of a geographical distribution which involves unnecessary transport.

On the other hand, the general concentration of Britain on industrial production, with the corresponding neglect of agriculture, has also meant the herding together of the workers in huge industrial towns, and, in the mass, a corresponding decline in physique and health. The concentration of the colonial areas on the agricultural and raw materials industries has meant not only additional transport but the holding back of their national development ; not only in the economic sense, but also the mental development which is associated with the use of machinery and is in fact made possible by it through

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the shortening of the time necessarily given to labour.

From both economic and physical and intellectual standpoints, therefore, the present geographical distribution of industry is bad. A communist society which aims at reducing the labour-time required to meet social needs, and also at securing the utmost possible all-round development of individuals, will therefore carry out as rapidly as possible a general redistribution of industry. The aim in this redistribution will be to build up industrial regions in which there is the maximum possible all-round development of industry ; regions in which there are fuel or power supplies, metal works, engineering factories, textile factories, clothing and boot and shoe factories, and with them also agricultural areas providing as far as possible for the food requirements of the region. On a world scale, too, there will be a similar redistribution of industry. In so far as the distribution of raw materials makes it possible, each country and each region within each country will be organised to secure the maximum of industrial self-sufficiency : but in all cases only in so far as this leads to an actual reduction in the total labour involved in production and transport. It must not be forgotten that the advance of science is constantly making available alternative methods of production, alternative sources of power and raw materials, which make man far less dependent on the distribution of certain raw materials than he was in the early stages of industrial development. The early cotton mills, for example, were tied to the banks of

rivers because water-power was the only form of power known. The use of coal-raised steam at once widened the possible area of cotton spinning. The use of electricity transmitted from long distances makes the position of most factories completely independent of coalfields. American cotton mills use artificial methods of producing humidity, robbing Lancashire of its atmospheric privileges in the spinning of finer counts. All of these technical advances form the basis for a redistribution of industry which will ensure on the one hand an immense saving in the total labour expended by society on transport, and on the other hand the maximum all-round development of mankind in every part of the world.

Of course there will still be many raw materials and forms of food which have to be produced in certain parts of the world, and thence transported to other industrial regions. Even within each country there will have to be some transport of raw materials and products from region to region. But it is not a case of ensuring the absolute similarity of industry in each region ; what is aimed at is the growth within each region of all kinds of industry in so far as this will save the total amount of labour expended by society. There are very few industries indeed in which there can be any justification in communist society for the supply of a whole country, or in some cases of the whole world, from a single centre. In the case of every industry a point is reached at which the increase of the producing unit beyond a certain size serves no economic purpose ; and in fact where

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industries are localised this generally means merely the repetition of a number of small units which might just as well be distributed over the areas to which at present their products have to be sent.

In the geographical redistribution of industry under communism, the ultimate principle will be the saving of labour. It will be a case of weighing up the technical advantage of working minerals lying near the surface as against other deeper deposits nearer the industry which uses them. In existing capitalist society, similar calculations are made, but the unit of comparison is not labour-time, but money cost ; the money cost of the labour-power of four Chinese coolies in Malaya, even with the money cost of the labour-power of seamen and dockers, is found to be lower than the money cost of perhaps one tin miner in Cornwall, and so the tin industry decays in Cornwall and develops in Malaya, although this change involves a great increase in the total labour expended by society in getting the tin it requires. But apart from the factor of cheaper labour, the existing distribution of industry is also governed by the haphazard connections formed by competing capitalist groups ; by the chance growth of one capitalist group as compared with another, owing to the advantage in the amount of capital employed and similar factors ; by favourable conditions of rent and rates and other factors arising entirely out of the capitalist system, and often running counter to technical considerations. But the main factor in the distribution of industry as between the colonies and the " motherlands " has

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been political : the definite holding back of the national development which would necessarily have brought with it a powerful rival to the imperialist groups in the motherlands. With the abolition of the whole mass of limitations and restrictions inseparable from the capitalist system, the ground would be cleared not only for production on a single economic plan, but for production by industrial units at points selected for their technical advantage combined with their social advantage in securing the possibilities of all-round development to what are now cramped and crippled areas.

The equalitarianism of communism is not the making equal of all human beings, nor is it equal rationing. In the economic sphere, it is the breaking down of class inequality, of distribution on a class basis ; and also the breaking down of all inequalities of national and local development which to-day are accepted as natural, but in fact cease to be natural from the day when society is differently organised. It is the conscious development of areas now undeveloped or technically backward, for the benefit of the peoples living there instead of for the benefit of a narrow imperialist group. It is the breaking down of the barriers between town industry and agriculture by the local association of industry and agriculture and the mechanisation of agricultural methods. It is the breaking up of the huge industrial towns and concentrated industrial areas, and with this, the ending of the isolation and intellectual backwardness of the countryside. And through the breaking down of these and other barriers to human development



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which have grown up in or persisted through capitalist society, it is the equalisation of the material conditions of social life in so far as they do not really arise from natural conditions. On the basis of these equalised material conditions and a common plan of production and distribution, communist society will attain a diversity of group and individual development such as is to-day unknown even by the richest sections in the most technically advanced countries of the world.

## CHAPTER VI

### COMMUNIST SOCIETY

THE FIRST: Most obvious feature of the Communist organisation of production and distribution is the abolition of all class divisions, and at the same time the raising of the standard of living to an extent which is now hardly imaginable. But if it is impossible to give any concrete idea of what this standard would be, it is at least possible to show the basis from which the process of raising the standard of living would start in an industrial country like Britain. In *The National Income, 1924-31*, Mr. Colin Clark examines official figures and comes to the conclusion that an equal distribution of the national income in Britain would provide over £5 a week to each family :

“ Even at the present time the equal distribution of the national income, not including income from overseas, and with maintenance of the existing rate of investment, would give an average family income of some £270 to all, including the unemployed.”

It is true that the measurement of the standard of living by money income under capitalism is not

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a satisfactory basis for comparison with conditions under communism. At the time referred to by the author, some two million insured workers were unemployed, and immense numbers of employed persons were occupied in the competitive and profit-adjusting processes of capitalism which would be entirely eliminated under communism. Other large numbers of men and women were taking no part in production or even in profit-adjustment. The communist reorganisation of society, with the obligation on all and the opportunity for all to take part in productive work, would raise the level of actual production by probably one-half at once, giving the equivalent of some £400 a year in present values to all families throughout the population. It is therefore clear that Britain is already able to provide a standard of living under communism which is now denied to ninety per cent of the population.

But this is only the beginning. It is a commonplace that practically every industry in Britain requires technical reorganisation ; that the same quantity of labour—even a smaller quantity, on the basis of a shorter working day—could produce with up-to-date machinery and organisation a great deal more than is now produced. With the combined aim of raising the standard of living and shortening the working time required, the production plans during the transition period would provide for constant improvements in technique, economy of labour (as in the regional redistribution of industry), and the use of all possible natural resources, which would then

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be freed from the barriers of private ownership, patent laws and financial difficulties.

Even from an early stage of this development, however, men would be completely liberated from the individual struggle for existence. There would be no competitive struggle for employment. Even sickness will lose half its terrors for the working class when treatment and convalescence are entirely provided for and it involves no fall in the family standard of living. And along with economic security at a level far above the present average every individual would enjoy greatly increased leisure and would have at his disposal the means and opportunities for cultural development. And as communism gives economic security to every individual, so also will it free the social groups from the competitive struggle for existence as separate social groups. Along with the abolition of classes and class struggle will also follow the abolition not only of court dress and silk hats, but also of all other forms, cruder and more subtle, of class domination and privilege, class subjection and subservience, economic superiority and inferiority. The intellectual narrowness, the snobbishness, the mass of petty inhibitions arising from class divisions will have no soil in which to flourish. The relations of worker and employer, master and servant, landlord and tenant, will not exist.

The abolition of the competitive struggle between individuals and of the class struggle in all its forms will have as its counterpart the end of national subjection. In a society in which the possibility of individual or group economic power is excluded, there

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can be no basis for the subjection of nationalities. In the ideology of capitalism, carefully fostered in the schools, the Press, the pulpit and other organs of "public opinion," national and racial differences are used to justify actual relations of political subordination, which in turn protect and cover up systematic economic exploitation by the most powerful groups in the industrially developed motherlands. The new organisation of production and distribution in communist society will leave no room for any such groups. There will be no British owners of factories in China, able to send British working men to protect their property against starving Chinese workers, or to hold the side lines while Japanese workers, sent by their own richest group, bomb and destroy thousands of Chinese homes. Nor will there be any group in Britain drawing immense profits from the labour of Indian peasants and industrial workers, and able to send British working men to overawe and on occasion to massacre Indian workers and peasants who are fighting against incredibly low wages and high rents.

And with the end of the economic exploitation of subject peoples by capitalist groups, their political subjection will have no basis ; and with the end of economic exploitation and political subjection the whole ideology of national or racial superiority will also disappear, removing one more of the prejudices which cramp intellectual development under capitalism.

For the same reasons, communist society will be free from war and the menace of war. In capitalist

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society, the richest groups in each country are perpetually and necessarily striving to extend the markets for their products, to get cheaper sources of raw materials and to find new areas of investment for their constantly increasing capital : that is to say, to bring into subjection new masses of workers and peasants whose production can be directly or indirectly taken from them as interest on investments. This leads on the one hand to the constant conflict with colonial peoples, and on the other hand to competition and rivalry between the richest groups in each nation, and from this to war. In communist society there is no striving for markets ; products are made for use by the members of society. In so far as each group is not entirely self-supporting in all necessities, and has to import particular foods or raw materials from other similar groups, it will do so on the basis of mutual needs and not of robbery or exploitation. There will be no rivalry for markets or for cheaper sources of raw materials or for spheres of investment, and therefore there will be no basis for international war, or for the deliberate fostering of international fear and hate as the psychological preparation for war.

And with the abolition of class domination, of national subjection and international rivalry and war, will also disappear the whole vast structure of force, the machine by which the richest groups in each country maintain their domination within the nation and internationally. From the moment when class divisions are eliminated throughout the world there will no longer be need of armies and navies and

air fleets, forts and munition factories, strategic railways and all the other paraphernalia of war. The saving to mankind, the positive gains from the abolition of war, will be far greater than the mere saving of the annual war budgets, enormous as these are. Huge labour forces, manual and technical, will be set free for real productive purposes, and will thus help to raise the standard of living instead of preparing the way for destruction and the actual setting back of economic development for decades.

The breaking of the thread of property relations, the reorganisation of production on the basis of a plan to meet social needs, therefore brings society infinitely more than the mere abolition of crises and unemployment. Social ownership and planned production will put an end to all the crying evils of the present system ; it will have destroyed the causes of class and national struggles, and will open the way for the united advance of man in his struggle against Nature and against the blind, destructive forces of hostility and prejudice which have had their historical causes but can now be ruthlessly exterminated from society.

The changed economic organisation will also bring very fundamental changes in what is now regarded as the necessary organisation of society. It follows directly from the economic reorganisation that an immense part of existing social structure will disappear. Communist society cannot contain any stock exchange, for there will be no stocks or shares to pass from one individual to the other. Nor can it contain the whole mass of commodity markets, banks and

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bill brokers and foreign exchange and all the rest of it, because nothing will be bought or sold and there will be no financial machinery whatever. But not only that part of the existing social system which is directly connected with capitalist production and distribution will disappear. When class divisions go, all forms of organisation, all institutions which are connected with class divisions must also go : in particular, the whole machinery through which the dominant section of the capitalist class in each country preserves its privileges against the workers and the less powerful sections of the capitalists and middle class, and against rival imperialist groups.

A police force whose primary function is the protection of property rights could only be preserved for museum purposes when all class divisions and all economic and social inequalities, and with them all motive for attack on property rights, had passed out of existence. Communist society will contain no army or navy, and also no police or law-courts or prisons. The abolition of economic insecurity itself removes one of the most potent sources of crime as we know it to-day. It is true that it may be a long time before habits of mind developed in capitalist society can be eradicated. But this does not by any means imply the necessary maintenance of a judicial system and all its apparatus of prisons and police after economic changes and education have laid the basis of a social consciousness and social morality.

What of the other functions of the modern State ?

This is not a question of what form the central machinery of political government will take, but of



whether there will be any political government at all. In communist society there is no need for any *government*, any suppression of the interests of any section of the population. And because of this, there will be no political machinery at all.

But even if a class government has no function, will it not be necessary for the "national will" to express itself? Who will decide the budget and all the other questions which, in existing society, are decided by some central authority, no matter whether it be nominally democratic or not? In the first place, the character of the questions requiring decision will be completely changed. The national budget will be replaced by the far more comprehensive national plan; and the national plan does not in any way depend on the likes or dislikes, the interests or views, of its framers. It is built up from the actual wants of society: wants which express the real national will directly and in detail, without the intervention of any *political* machinery to maintain a privileged position for one section of society. In the sphere of production and distribution, the organisation required in communist society is therefore the statistical organisation which will automatically and immediately reflect the national will from month to month, and in fact, as the machinery grows more perfect, even in advance.

It is obvious also that no legislation such as is now passed by parliaments will be required. Not one line of the 180 pages of the London Passenger Transport Act would have any meaning in communist society. And it is just the same with all the Housing Acts

and Education Acts and all the other "social" legislation. The essence of them all is to determine how far the existing distribution of wealth and privilege is to be modified—it is not necessary to raise the question in whose interests—and what limits are to be set to expenditure in various directions. In communist society the only limits will be set by a continuously expanding production and the social outlook which will develop with it.

At the same time, although there will be no *political* machinery because there will be no rule over persons, no repression of the wants and desires of individuals because their satisfaction would interfere with the privileges of a small section of society, there must be the social organisation of production and distribution and of life generally, the "administration of things" as opposed to political rule over persons. It would be idle to discuss the exact forms of this machinery, which can only be developed in the course of experience. But certain general features are clear.

In Chapter I a passage was quoted from Engels in which he showed the division of society into classes as the necessary outcome of a level of production in which "all or almost all the time of the great majority of the members of society was absorbed in labour," when therefore the organisation of society had to be put into the hands of a specialised class which "managed the general business of society." In communist society this need for a separate group of organisers of society will no longer exist. The high level of production will reduce the time which

every member of society must spend on labour to a small fraction of the day : perhaps no more than three or four hours. Every individual will then be able to take part, and will take part, in the organisation of society. And the organisation of society will not be considered something separate from the lives of individuals ; it will be a part of everyone's life. It will mean the organisation of production and distribution, the organisation of work and play, of health services and education, of science and culture—in a word, of social life. There will be no section of society whose work consists exclusively in the organisation of others ; there will be no section of society which is excluded from the work of organisation. Everyone will have been trained to play a part in the organisation of society. And if this seems utopian, it becomes more real and concrete in the course of the transition, which completes the process of breaking down class divisions by the abolition of the difference between physical and mental labour, and the creation of fully developed human beings instead of the narrowly specialised, one-sided products of capitalist society.

In so far as the experience in the Soviet Union is already sufficient to indicate the main lines of future organisation, it can be said that the whole tendency will be towards decentralisation. The further implications of this decentralisation are suggested in a later chapter ; here it need only be said that it will be carried right down to the smallest section of each industrial unit, and is bound up with a change in the whole conception of management and administration.

The communist organisation of production aims at a constantly rising standard of living, coupled with a constant reduction of the working day ; it therefore implies a growth of technical research and application of the results on a scale which is quite impossible under capitalist conditions. In addition to the central statistical and planning institutions there will undoubtedly be others of a technical character, closely associated with industry and leading the way for technical advance in productive industry. Similar central cultural institutions will also be at work helping forward cultural development in all parts of each country and of the world. But none of these central institutions, statistical and planning, technical and scientific and cultural, will have anything of a political character about them, for the simple reason that there will be no separate group interests to dominate or fight for control of these institutions, which will be working with unlimited resources and putting their achievements at the disposal of society without restriction or limit.

To sum up : in the sphere of capitalist anarchy, production, there will be complete order and plan ; in the sphere of capitalist " order," political government, there will be complete anarchy. Communist society differs only from the ideal society of the sentimental anarchist in that it is based on the understanding that political anarchy must have as its basis the long development of man's productive powers and the social organisation of production which alone makes possible the abolition of class divisions in society.

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But before this stage is reached society has to pass through a long and painful process of transition, in the course of which not only the present economic and political organisation but also mankind, human nature itself, has to be transformed. Such a transformation of human nature may well seem only a pious wish, an impossible utopia, so long as it is approached from the standpoint of the sentiments, beliefs and customs, even the so-called knowledge, now existing in capitalist society. If it is to be clothed with reality, if it is to be understood as a necessary consequence of the economic changes in society, it is necessary to examine those changes in operation and to see the gradual transformation of human nature as an integral part of the transition from capitalism to communism.

PART III

THE TRANSITION FROM  
CAPITALISM TO COMMUNIST  
SOCIETY

## CHAPTER VII

### THE WORKERS TAKE POWER

“WEDNESDAY, November 7th, I rose very late. The noon cannon boomed from Peter-Paul as I went down the Nevsky. It was a raw, chill day. In front of the State Bank some soldiers with fixed bayonets were standing at the closed gates. ‘What side do you belong to?’ I asked. ‘The Government?’ ‘No more Government,’ one answered with a grin, ‘*Slava Bogu!* Glory to God!’” (John Reed, *Ten Days that Shook the World*.)

That night the second All-Russian Congress of Soviets proclaimed to the world: “Based upon the will of the great majority of the workers, soldiers and peasants, based upon the triumphant uprising of the Petrograd workers and soldiers, the Congress assumes power.”

No more Government—the Congress of Soviets assumes power: the working class had ceased to obey the capitalist class, and had set up its own authority to reorganise society. This change had taken place in Petrograd with no serious fighting, because the overwhelming majority of the workers and soldiers and sailors had refused to work or fight for their former masters. The former Government was arrested or fled after trying in vain to bring the

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machine of the State into action to suppress the revolution. The machine would not work. The capitalist class discovered to its amazement and indignation that its power rests on the willingness of the workers to accept it ; and that when they refuse to accept it any longer power has passed to the workers.

In Russia the conditions for an easy and rapid transfer of power to the working class had been maturing during the preceding months. The ruling class had completely lost the confidence of the industrial workers and of the poorer sections of the peasantry ; Kerensky and his followers had been equally discredited. The workers in the towns and the armed forces were absolutely determined to put an end to a state of things which brought them increased misery from day to day ; the peasants were determined to put an end to the rule of the landed class in the countryside ; and all were determined to end the war. Peace, bread and land were the urgent demands of the overwhelming majority of the people and there was in existence a Party which had convinced the workers that these demands could only be won by revolution ; its influence among the industrial workers and the armed forces was well organised, and it knew the moment to call them into action.

The existence of the Bolshevik Party and its long previous work not only made possible a conscious revolution, a revolution with the organised purpose of changing the system of production, but was a necessary condition of success in every stage of the



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transition after the seizure of power. It was the Communist Party's organisation in the factories and in the army and navy, later also in the villages, which made it possible to weld the workers and peasants into an organised force ; but at the same time the force was that of the workers and peasants, not of the Communist Party alone. At the time of the revolution of November 1917 the membership of the Party was only about one hundred thousand ; three-quarters of these had only joined the Party within the preceding six months. After the revolution the membership rose steadily, enabling the Party to spread its influence right through the country and to give the active guidance and leadership to all the economic, political and cultural institutions of the workers and peasants : the trade unions, the co-operative organisations, the Soviets, the army, the factories and the schools. The Party itself rose to a membership of over 1,500,000, and the youth organisations—the Komsomols, Pioneers and Oktiabrists—number more than four millions. The whole of this organisation is more or less consciously guiding the work of the rest of the population in the direction of communism, by the combined process of rooting out the capitalist organisation and traditions and establishing in their place communist organisation and outlook. This organised action of the workers, through the Soviets, the trade unions, the co-operatives and other institutions, to fight against the surviving elements of capitalism and help forward the communist reconstruction, is what is known as “ the dictatorship of the proletariat.” It

is led by the Party, but it is a dictatorship exercised by the whole working class, just as the 1917 revolution was a revolt of the industrial workers and the armed forces and poor peasantry, and not a *putsch* by the Bolsheviks.

But although the conditions in Russia in November 1917 were extremely favourable for the actual taking of power by the workers ; although these conditions will never be repeated in any other country in this precise form, it is nevertheless clear from the previous analysis that capitalism necessarily brings about conditions of crisis. And with crisis, also an increasing discontent with existing conditions, which, in proportion as the ruling class shows its inability to make any improvement, will inevitably rise from discontent to revolt. It is not possible to argue from the Russian experience that this moment, the moment of mass revolt, will come up during a war or as a result of war. The immediate cause of the revolution cannot be foreseen even in Germany where the general conditions of revolution—"When the masses do not want the old régime, and when the rulers are unable to govern as of old"—are rapidly maturing. But it is possible to see from the Russian experience—itself partly based on the experience of the Paris Commune in 1871—what is likely to be the form of government set up by the working class to carry through the change to socialism ; what are the chief obstacles it will encounter, and therefore what will be the general process of the transition.

The historical growth of working class organisation

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has been different in every country, just as the particular forms of capitalist organisation are different. But in every country the general forms of working class organisation have been trade unions and political parties, and local joint councils of trade unions and parties. At the time of the March revolution of 1917—the overthrow of the Tsardom—the trade unions in Russia were small and scattered, leading a more or less underground life to escape the Tsarist repression ; and as a result the working class response to the need for organisation took the form of factory councils—bodies of elected representatives of all the workers in each factory. The joint local councils were formed of delegates from the factory councils, representing all the workers and not only those who were already organised in trade unions. Similar councils sprang up in the armies and in the navy. These councils or Soviets spread rapidly through the country, and the All-Russian Congress of Soviets which met on the day of the November revolution was a delegate body representing the industrial town Soviets, the Army Soviets and to some extent also the village Soviets where these had been formed. It was this body which, on November 8th, 1917, elected the Council of People's Commissaries—the new government which was to carry through the change from capitalism to communism.

The view that the Soviet form of government will be the form required for the carrying through of the change in every country is held by Communists, not because they have worked it out in the abstract as a perfect form of government, but because it is the

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form of organisation for joint action thrown up by the working class in every country, particularly in a crisis involving working class action against the capitalists on a wide scale. During the revolution of November 1918 in Germany delegate councils were immediately set up, and had there been in existence a strongly organised revolutionary party these councils might have begun to carry through a decisive change, instead of abdicating in favour of a parliamentary body whose main purpose, under the anti-revolutionary social democratic leaders, was the maintenance of capitalism. Even in Britain, in addition to the long history of trades councils there has been the experience of the Councils of Action set up in 1920 to stop any attempt at British intervention in Russia, and again in 1926 during the General Strike. Therefore the Soviet or delegate council must be regarded as the natural form of working class organisation when the working class reaches the point of joint action against the capitalist class—natural in the sense that it arises from the conditions of working class life, the conditions of a working class scattered through numbers of industrial units and only able to unite for common action through such a delegate body.

It is not difficult to understand why this form of organisation is used by the workers. Delegates from the workers in a particular factory, or from a trade union branch, can bring the views of their constituents to the central body, and can take back the decisions of the central body to their constituents, quickly and easily, and as a result the workers can

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quickly be brought into action. Both in discussion and in action they are directly expressing their interests as a group within the working class, not as a number of persons individually subject to the fears and inhibitions and prejudices created by the propaganda of the ruling class. The Soviet or workers' delegate council in fact transforms a scattered mass of individuals into a working class, into a class in opposition to the capitalist class and its organisation—the State machine before the revolution, the counter-revolutionary armies and sabotage groups after the revolution. A Soviet Government is not an undifferentiated "people's" government, but a working class government to carry through changes which mean a long struggle with the capitalist class. It is "democratic" in relation to the working class, whose views and needs it expresses from day to day as a result of constant reference back to definite bodies of workers ; but in relation to the capitalist class it is the central organisation of the dictatorship of the working class.

Although voting regulations have been modified from time to time, the Soviet system which began with the November 1917 revolution has been maintained and extended through the whole country. But not only the form and composition of the Soviets represented a new type of government ; they were new also in their combination of legislative and executive functions. The machinery through which the working class can carry through the change to communism is not a central body legislating its general views and hoping that somehow or other

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effect will be given to them. In capitalist society also things are not left to chance. The carrying out of capitalist legislation is ensured by a State and local machine that is loyal to capitalism, although this is only clearly shown at moments of crisis. A working class legislative body is immediately faced with the problem of who will carry out its orders. The State and local machinery built up by the former ruling class will not do it : even the telephone girls refused to work for the new government in Russia, and the various ministries were centres of counter-revolution. The officers in the armed forces, the local officials, the managers of industrial or commercial concerns could not possibly be used as instruments by the working class for carrying through the expropriation of the capitalist class and the introduction of such measures as the rationing of housing. It was therefore necessary to use the new form of State organisation, the Soviet, to administer and carry out decisions as well as make them ; and all executive positions which had formerly been filled by appointment from above had to be made elective, and the elected persons had to be subject to recall at any moment by the bodies which elected them.

Therefore from the first day of the revolution the command of the armed forces was taken over by the elected deputies ; the factory workers were armed, and fought in all the most vital battles ; the officials in the State departments were replaced by workers ; the managers in the factories were replaced or controlled by committees of workers ; the existing law courts were abolished, and workers' courts with

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elected judges took their place—wherever the Soviet order was established, elected workers' committees took the place of appointed officials. The "dictatorship of the proletariat" operated centrally and locally, in the factories and in the streets, through the placing of elected workers in every key position, and the main task of every institution became the carrying through of the revolution and its defence against internal and external enemies.

The Russian experience has abundantly shown that the transition involves two parallel processes each of which is closely dependent on the other. These two processes are the breaking down of resistance from the capitalist class and its followers, and the actual building up of the new system of production and distribution. The work of organising the new system is itself an immense task. In spite of all the tendencies to trustification and large scale industry under capitalism, there is a vast mass of small producers and traders alongside the huge trusts. Again, communism requires a tremendous growth of the productive forces to meet the needs of the whole people—a growth which may take years or decades according to the stage of industrial development reached in each country. And both problems, of organisation and increased production, can only be solved by workers who not only understand the general aim but have acquired the technical efficiency without which no solution is possible. All of these factors are considered in later chapters : but in the actual transition, in solving each particular problem, the most vital factor is the degree

of success attained in breaking down the resistance of the former possessing class.

The Russian experience of the struggle against the former possessing class is not yet over. The seizure of power was carried out rapidly and with little bloodshed ; but there followed three years of continuous fighting against a whole series of Tsarist generals subsidised and largely directed by the governments of the other countries which were still capitalist. It is not necessary to go through the detailed history of these wars. The outstanding feature of them all was that the Red Army, far less efficiently equipped and trained than the opposing forces, was able to drive back the invaders and finally drive them out of Russia. The Red Army showed the *élan* of a revolutionary army—the *élan* of the shock brigaders of later years—and the mercenary White armies, led for the most part by Tsarist officers, were all the time disintegrating. But this was not the only reason for the Red Army's successes. Poorly equipped in the military sense, the Red Army nevertheless had a weapon against which even the armies of occupation sent by the governments of Britain, France and the United States were defenceless : class propaganda. It was used everywhere, and was absolutely devastating. It had most effect perhaps on the peasants, who realised that the victory of the White armies would mean the restoration of the Tsarism with all its economic consequences—especially the reimposition of rent and taxes. But the ultimate withdrawal of the foreign armies was due not only to their increasingly mutinous frame of mind, but also to the insistent



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demand from the workers of Britain and France that these forces should be withdrawn. These facts are of great significance for all future revolutions.

The resistance of the former possessing class, however, did not end with the final defeat of the White armies. Scattered through all the capitals of Europe, the great landowners and capitalists of Tsarist Russia and all their train of dependent politicians, journalists, officials and officers, in fact every Russian to whom the former system was immutable, continued to wage a bitter struggle against the Soviet Government with whatever weapons they could still command. They found willing allies among the possessing classes of the capitalist countries, and were closely in touch with the governing circles of those countries. The Press was for the most part organised to publish every story, however intrinsically ridiculous, which tended to discredit the new system in the Soviet Union. For many years even the facts of the industrial reconstruction were suppressed, and the Five Year Plan was presented as something entirely imaginary and fictitious. But all the attacks of the Russian *émigrés* and all the propaganda carried on in capitalist countries were only peaceful, auxiliary forms of a more intense struggle. Outside the Soviet Union the blockade which had been maintained for the first three years after the revolution was gradually lifted by one country after another, and trade developed even with countries which did not officially recognise the Soviet Government; but, as in the case of Britain in 1927 and 1933, there were repeated interruptions

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in trading relations ; credits were refused or restricted ; and all the time military preparations for war against the Soviet Union were being made, particularly in the Border States. These external activities had their counterpart within the Soviet Union, after the period of armed warfare, in innumerable acts of sabotage organised by *émigrés* and foreign governments, and in continual attempts to stir up into active opposition whatever elements hostile to the new order still remained in the Soviet Union.

What is the state of mind of the Russian *émigrés* and their allies in the capitalist countries who have carried on this systematic struggle against the new system in the Soviet Union ? Lenin describes it as follows :

“ After their first serious defeat, the exploiters (who never expected anything of the kind, and can hardly believe in it now that it has taken place) throw themselves with redoubled energy, with furious passion, with implacable hatred, into the battle for the recovery of their lost paradise, into the fight to restore their family fortunes, to regain ‘ comfortable ’ positions for those whom the ‘ rabble ’ would now condemn to poverty and ruin (or to the simple necessity of work ! ). ”

To the possessing classes of the other countries the fight against the Soviet Union is also partly a “ battle for the recovery of their lost paradise ” of investments. But to the possessing classes as a whole

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it is a battle to protect the capitalist system in their own country. They also, like the Russian *émigrés*, can hardly believe that a new social system has begun to develop, and in so far as they believe it, in so far as they begin to realise that in their own country too all the conditions for a changed social system are developing, in so far, in short, as they understand that is happening in the world, their reaction is the same as that of the Russian *émigrés*—furious passion, implacable hatred, determination to resist to the last, and at whatever cost to the rest of the people, the inevitable course of history. What Engels wrote in *Anti-Dühring* of the Canutes of his day is equally applicable to the possessing class of to-day :

“ And when the bourgeoisie now make their appeal to force in order to save the collapsing ‘ economic order ’ from the final crash, by so doing they only show that they are caught in . . . the illusion that . . . the economic consequences of the steam engine and the modern machinery driven by it, of world trade and the banking and credit developments of the present day, can be blown out of existence with Krupp guns and Mauser rifles.”

But although force cannot repeal the economic laws which lead inexorably to the conditions which bring revolution, the experience of the Soviet Union is enough to show that the length of the transition period and the difficulties through which a country must pass are very largely determined by the struggle of the former possessing class to regain power. It

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was not only the destruction of the civil war that held back Soviet industry for so long after the revolution : it was also the blockade and its continuance in the form of the refusal of credits, embargoes and sabotage, besides the constant danger of a renewal of armed attacks which made it necessary for the Soviet Union to maintain armed forces and set aside stores and munitions instead of being able to concentrate all resources on the industrial front.

Resistance, even armed resistance, was not confined to the large landowners and capitalists of Russia. It was inevitable that in the early stages of the revolution large numbers of minor officials, clerks and even technicians whose personal position was closely bound up with the former system, should show considerable reluctance to work for the new government, even if they did not take up arms or resort to sabotage. But when the Soviet Government was firmly established and had beaten off the immediate attacks of Kaledin and Kerensky, the attitude of this section of the population began to change very rapidly. It was always a prey to fear and hesitation, and numbers of individuals were always to be found in its ranks who were prepared to desert to the enemy and to take part in counter-revolutionary activities and sabotage ; but by its very composition it was never, after the first few weeks, a solid force of opposition. It was the same with the petty traders and shopkeepers and small industrial capitalists : they were soon ready to tolerate the new government and to work under it if not with it.

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But there was one section of the population in Russia which has continued its active struggle against the Soviet Government up to the present day. At the time of the revolution the peasantry was divided into three sections : those working relatively large farms and generally employing hired labour—the kulaks ; those working medium farms—the middle peasantry ; and those whose holdings were too small to live on or who had no land at all—the poor and landless peasants. The revolution brought immediate relief from the rents and heavy taxes of Tsarist times, and to this extent won support from all peasant groups ; but for some time the kulaks were actively associating with the counter-revolutionary armies, and influenced also some of the middle peasantry until these had had experience of White Guard rule. At the end of the civil war, and with the introduction of the New Economic Policy, the kulaks were able to retain and sell their grain, and for seven years there was no general movement of resistance among them. But after 1928 the development of the new economic system began to affect the basis of their way of living, through the growth of collective farms, and once again they became active enemies of the revolution. This struggle, which is to some extent still proceeding, took the form of assassination of Soviet officials and communist leaders locally, as well as arson and the destruction or concealment of livestock and grain. It was fomented by agents of the *émigrés* and foreign governments, but the struggle itself arose as the necessary result of the revolution in its extension coming

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into conflict with the kulak mode of living, the individual economic advantages of the kulaks. But they fought a losing fight ; in each village they were only a few individuals, and they were overwhelmed by the mass of middle and poor peasants to whom collective farms meant the raising of their standard of living. At the same time, the kulak resistance has been an important delaying factor in the transition to communism : first because the change to collective farming was delayed for at least ten years by the danger of rousing kulak opposition as well as by the need to concentrate resources on restoring town industries ; and secondly because the actual process of collectivisation and the kulak resistance which resulted has involved considerable difficulties in food supplies.

To what extent is the history of capitalist resistance to the revolution in Russia typical also for other countries in which the revolution develops ?

The ease with which the transfer of power was carried out in Petrograd was clearly due largely to the fact that the armed forces were in the main openly siding with the revolution. The Petrograd garrison of sixty thousand men refused to leave Petrograd to make way for " reliable " forces, and set up its Military Revolutionary Committee, seized the arsenal and distributed arms to the workers in the factories. The Baltic fleet at Kronstadt was entirely on the side of the revolution. All through the army at the front and the garrisons in other towns, Soviets of soldiers' deputies were declaring for the revolution. Regiments believed to be loyal to the

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Provisional Government were ordered to Petrograd. They were met by envoys from the Petrograd garrison and the Petrograd Soviet, and without exception came over to the side of the revolution. Even before November 7th the Provisional Government was powerless : it could do nothing but issue orders which were not obeyed. The moment of insurrection, the arrest of the Provisional Government and the taking of control by the Revolutionary Government was therefore only the completion of a process which was already far developed, and the resistance of the cadets at the Winter Palace and other buildings had no outside support and was quickly defeated. But the attitude of the armed forces in turn was due to the existing conditions : four years of fighting, constant interruptions in the supply of arms and munitions, and every form of corruption among the officers, together with the news of starvation in the towns and in the villages : these were the background to the election of the soldiers' Soviets.

The general unwillingness to go on fighting, and the increasing desire to take things into their own hands, showed itself ultimately in all the belligerent armies ; in Germany it reached the stage of mutiny in the fleet and in the army, and alliance with the most advanced sections of the workers in industry in the weeks following on the armistice. In the armies sent to Russia by the Entente Powers it showed itself in refusal of duty, reaching definite mutiny in the French ships in the Black Sea. Conditions in which the army and navy become

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"unreliable" and take things into their own hands are therefore not at all exclusively Russian. On the contrary, where the class issue is clear and the struggle between the classes has taken the form of open fighting, the armed forces, drawn from the working class, have often refused to fight against the working class, and often, like the Kronstadt sailors in Russia and the Kiel sailors in Germany, played a leading part in a general movement of revolt. This is so because the conditions which bring a country to the point of revolution affect the armed forces almost equally with the industrial workers : the same economic chaos, the same hardships, face the soldiers and their families, and these bring the same discontent, the same unwillingness to accept things as they are, and ultimately the same revolt. This is another of the "natural laws" of human society, and it works with the same inexorable necessity as the laws of capitalist production which bring crises into existence.

In the English agricultural labourers' revolt the militia, composed of farmers, refused to act against the insurgents, and it was necessary for the government to move down to the south of England the regular army, the only "reliable" force, to crush the revolt. The tactics of moving armed forces from one area to another in order to crush a local revolt is as old as the history of government ; no force is reliable for use against its own people in a revolt arising from general economic conditions. But in conditions in which every part of a country is on the verge of revolt, when no armed force recruited mainly from



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the working class can be trusted, the ruling-class turns to the use of special forces, recruited from the hill tribes, as in India ; from the Cossack peasantry, as in Russia ; from the middle class in the predominantly capitalist countries—such are the special police in Britain, the fascists in Italy and Germany.

To what extent is it possible for the existence of special armed forces, not drawn mainly from the working class, to hold back the development of a revolutionary crisis ? And does the existence of such forces, as for example in Germany in 1933, mean that completely new conditions have been created, so that the experience of the Russian revolution is not applicable ? That the disintegration of the armed forces, on which the ease and rapidity of the transfer of power depends, cannot be expected ?

The answer to this question can come only from an analysis of the conditions of revolution. These conditions arise from the inevitable consequences of capitalist production : economic crisis and class struggle. But the class struggle which reaches the stage of revolt is not a simple division of the people into capitalists and non-capitalists. Every existing society is extremely complex, containing not only elements intermediate between capitalists and workers—the various groups of the so-called middle class—but also pre-capitalist survivals such as landlords and peasants or independent producers. Within the capitalist class itself there is anything but complete uniformity of interest. There are as it were vertical divisions : financiers, industrialists, farmers, merchants, as well as the sub-divisions of different

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branches of industry, whose separate interests are frequently in conflict ; and running right through these vertical divisions there are also the horizontal divisions between the " big man " and the " little man," the monopolist and the individual capitalist of early competitive capitalism. Alongside all these different groupings there are also national groupings: in Germany the groups within the separate States of the Reich, the conflict with the Poles in Silesia and the East, and to some extent the antagonism to the Jews (although this is the artificial product of propaganda rather than the result of division between group interests in capitalism). In the British Empire the already existing conflict with the Irish, Indians and other nationalist groups indicates what a powerful disintegrating force these divisions will be in a revolutionary crisis, just as in Russia all the subject nationalities of the Tsarist Empire joined to shatter the imperial rule before, at a later stage, class divisions supervened and submerged the national differences.

In each existing modern society with all these complex groupings of interests in addition to the main division of interests between the possessing class and the workers, economic crisis, as it develops in intensity, brings about sharpening conflicts not only on class lines but also within the ranks of the possessing class. The government in each country, which in the last analysis represents the interests of the capitalist class as a whole against the workers, in its current policy expresses the separate interests of the most powerful section of the capitalist class—the

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monopolists of finance and industry—in relation not only to the working class but to the other sections of the capitalist class : the landowners (in so far as these are not already merged with the monopolists of finance and industry) ; the smaller capitalists in industry and trade ; the capitalists of subject nationalities ; perhaps even the capitalists in particular sections of industry, though as a rule the monopolists have entrenched themselves at the top of every industry. Because of actual differences of interests between the dominant, monopolist group and the other capitalist groups, and also between these other groups themselves, the government of each country is always necessarily manœuvring, sacrificing particular groups to the interests of the monopolists, making concessions to one group at the expense of another, continuously changing the alignment of forces which, at each moment, are ranged in more or less active opposition to the government. Moreover, as the economic crisis deepens and extends, similar divisions begin to affect the sections intermediate between the capitalists and the workers : the middle class in the sense in which it is commonly used in Britain, covering not only small shopkeepers and persons who live partly on invested capital and partly on earned income, but also small *rentiers* and propertyless salaried officials, professional workers and similar groups. The crisis affects their economic security, throwing large numbers into permanent unemployment, reducing the standard of living of even larger numbers, and bringing wide sections to political consciousness.

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Together with all these divisions and conflicts of interests which come more and more to the surface as the crisis develops, there is also a continuous realignment of forces on the ideological field. The economic difficulties of sections of the smaller capitalists and middle class are reflected in the breaking up of traditional or generally accepted views, particularly, because of its consequences for the revolution, the breaking up of the illusions of capitalist democracy and the growing realisation of the fundamental class division of society. In the *Communist Manifesto* of 1848 Marx and Engels wrote :

“ Finally, at the moment when the class struggle approaches the decisive hour, the process of dissolution within the ruling class, within the whole of society in fact, takes a character so violent and glaring, that a small part of the ruling class cuts itself off and joins the revolutionary class, the class that holds the future in its hands. Just as formerly a portion of the nobility went over to the bourgeoisie, so now a portion of the bourgeoisie goes over to the proletariat, and particularly that portion of the bourgeois ideologists who have reached a theoretical understanding of the whole historical movement.”

The process of disintegration which, in the combined conditions of Tsarism and war, developed so rapidly in Russia in 1916 and 1917, was an essential condition of the revolutionary crisis. And no revolutionary crisis can come about except as a result of

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a similar process of disintegration which develops simultaneously with, and is of course closely conditioned by, the strengthening of the revolutionary forces within the working class itself. In 1916 Lenin wrote :

“To believe that a social revolution is possible without the revolt of the small nationalities and colonies in Europe, without the revolutionary outburst of the petty bourgeoisie with all its prejudices, without a movement of the non-class conscious proletarian and semi-proletarian masses against landlord, clerical, monarchist, national, etc., oppression—to believe this is tantamount to denying the social revolution altogether. In the imagination of such people in one place will be lined up troops who will say : ‘ We are for Socialism,’ and in another the troops will be lined up who will say : ‘ We are for imperialism,’ and this will be social revolution ! . . . Those who wait for a ‘ pure ’ social revolution will never live to see it. . . . The Socialist revolution in Europe cannot be anything else but an outburst of mass struggles of all the oppressed and discontented of all kinds.”

This analysis of the process of disintegration within society as a whole which culminates in revolution makes it possible to answer the question whether the disintegration of the armed forces of capitalism—the condition of a speedy transfer of power—is possible when the armed forces consist of a special fascist body, largely recruited from middle class and small

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farmer elements. If a revolutionary crisis is *nothing but* a revolt of the working class, a different question would arise : is it possible for the working class to equip itself to fight a homogeneous force, equipped with the most modern armaments and invulnerable to working class propaganda or any ideas other than the maintenance of the existing State ? But this is not the form in which history presents the question. The very size of the fascist forces required to maintain the ruling class in power in an acute economic and political crisis necessarily means that these forces cannot be homogeneous, but are necessarily subject to group and even to some extent to class propaganda, which is not an abstract "conversion" but making a group realise its own interests.

In so far as the tendencies towards war become dominant, and fascist Germany is compelled to arm immense numbers of workers, the balance of armed force will necessarily change very rapidly, while war conditions must hasten the process of disintegration within the various sections of the ruling class, as well as enormously strengthening the consciousness among the workers of the need for the revolutionary overthrow of the existing order as the only way out of the mass butchery of war. The outbreak of war in Europe would very rapidly bring conditions in Germany and other countries closer to those from which the Russian revolution emerged.

But war is not the only condition in which disintegration takes place. The continuous deepening of the world crisis of capitalist production and its special repercussions in Germany, together with the

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social democratic policy of holding back the working class from any action challenging the existing order, were the causes which led to the establishment of fascism in Germany. The Fascist Government can no more exorcise the crisis than its predecessors could. On the contrary, it has itself not only to suppress the working class revolt but also to conciliate or suppress the various sections of the middle class, small capitalists, landlords and farmers and peasants, whom the deepening crisis is throwing more and more into opposition, into conflict with the interests of the big financiers and industrial capitalists. Fundamentally, the issue of the distribution of the product of industry among the various sections of the population comes more and more to the surface. The partial and temporary solution as between the capitalist sections, by the forcing down of wages and raising the share of the capitalist class as a whole, already no longer serves to prevent the conflict within capitalism. The attack on the Jews and to a certain extent on foreign capitalist interests is obviously a political expedient without any serious economic advantage for any section of the German capitalists and middle class, and with important disadvantages for the economic situation as a whole. Any attack on the interests of the landlords or any other section of the possessing class must start an active process of disintegration among the supporters of fascism, while this process must also develop as the middle class comes to realise that its position is not only as bad as it was but is even growing worse as the general economic crisis deepens.

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But this disintegration in the forces of capitalism can be only the counterpart of growing revolt among the workers. Fascism can offer them not even temporary alleviations, not even fleeting visions of better times to come, but only the bullet and the whip combined with rapidly deteriorating conditions. But at the same time fascism necessarily welds the workers into a united mass, destroying the democratic illusions with the help of which the social democratic leaders induced them to accept worse conditions in the past. To the workers as a whole, the need for the revolutionary overthrow of the existing order will become more and more clear as their conditions actually grow worse, and the organisation of the Communist Party—the only Party whose activities and organisation the fascists have been unable to suppress—will develop its influence over larger numbers of industrial workers, including present supporters of fascism. And to the extent that the workers in the factories come into action, in strikes and resistance to the fascist policy, their action will have increasing influence on those sections of the middle class and small capitalists and peasantry whose interests the big financiers and industrial capitalists have been unable to meet. Therefore, in spite of the armed forces of fascism, in spite of the temporary unity among the capitalists and middle class elements, a situation must arise such as Lenin described in *Left Wing Communism* :

“First, that all the class forces hostile to us have fallen into complete enough confusion, are



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sufficiently at loggerheads with each other, have sufficiently weakened themselves in a struggle beyond their capacities, to give us a chance of victory ; secondly, one must ensure that all the vacillating, wavering, unstable, intermediate elements—the petit-bourgeoisie and the petit-bourgeois democracy, in contradistinction to the bourgeoisie—have sufficiently exposed themselves in the eyes of the people, and have disgraced themselves through their material bankruptcy ; thirdly, one must have the feeling of the masses in favour of supporting the most determined, unselfishly resolute, revolutionary action against the bourgeoisie. Then, indeed, revolution is ripe ; then, indeed, if we have correctly gauged all the conditions outlined above, and if we have chosen the moment rightly, our victory is assured.”

In such a situation the armed forces of fascism are no more “ reliable ” to the ruling class than were the Cossacks who were sent to drown the revolution in blood but joined the revolutionary forces at Gatchina on November 14, 1917. The fascist terror cannot check the economic consequences of capitalist development, nor can it hold back for more than a short time the class conflicts which end in revolution ; but in so far as, like the Tsarist terror, it lets loose on society a flood of brutality and barbarism, it is only preparing the way for a final conflict of terrible intensity.

The development of fascist forces in Britain, the United States and other capitalist countries is also

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being attempted by the ruling sections of the capitalist class. In Britain it is taking the form of official forces of special police drawn from the middle class and small capitalists, as well as the introduction of "reliable" middle class elements into the ordinary police ; various unofficial fascist bodies are also being set up. In the United States armed gangs hired by private firms have long been a feature of capitalist organisation. These forms of class armies will be increasingly developed by the ruling class in each country as the crisis deepens. But this does not by any means imply that the temporary victory of fascism is a necessary stage in these countries.

The moment of insurrection, which marks the definite beginning of the transition period from capitalism to communism, is only the end of a long series of class struggles in which the capitalist class still retains its hold of the State machine. These class struggles arise in an acute form out of the economic crisis of capitalism ; as the crisis deepens, all the intermediate sections of the middle class and farmers become more and more discontented with things as they are, with the increasing hopelessness of their position. The tithe fights in England, the wide and powerful farmers' movement in the United States against foreclosures, indicate a real breaking up of the economic basis on which the farmers have hitherto lived. To the extent that the working class shows itself capable of a determined fight against the ruling class, against continually worsening conditions, the intermediate sections necessarily follow its lead and may even partially support it in action.

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To the extent that the working class fails to fight the ruling class, accepts the continual worsening of its conditions as an inevitable necessity, the intermediate sections, already feeling the effects of economic insecurity, are a ready prey to fascist promises of better times through the suppression of "Marxism," and even carry with them a considerable number of workers who also can see no deliverance by other means, owing to the opposition of the social democratic and trade union leaders to any form of working class resistance.

Whether fascism succeeds in establishing itself in any country therefore depends on the working class itself, on the degree of revolutionary consciousness shown by the working class as the crisis deepens. The conditions which favour the growth of fascism are those in which the working class is held back from action by its industrial and political leaders, and kept by them in the attitude of accepting things as they are, accepting the policy of class collaboration under cover of which conditions are worsened industrially and in the political field : by the steady restriction of the rights of free speech and assembly, by continuous police attacks on demonstrators and strikers and the imprisonment of Communists and militant leaders who oppose the policy of class collaboration. These are the conditions in which, as in Germany, the working class can be sufficiently disorganised and demoralised to allow the enthronement of fascism.

On the other hand, the conditions in which fascism is defeated, is prevented from developing,

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are conditions in which the working class stands firm against any encroachment on its industrial standards or political rights ; in which it follows the lead of the Communist Party and the militant workers in every industry who refuse to accept lower wages and working conditions ; in which every industrial struggle is brought into the open as a political struggle, as a stage in the organisation of the working class for action against the political power of the possessing class. A working class united in this policy, confident of its strength, understanding that the alternatives are not revolution or socialism through parliamentary democracy, but revolution before fascism develops or after a period of fascist rule, can not only defeat fascism but lead numbers of the middle class and small farmers who realise that their position is hopeless so long as the existing system continues. The lesson of the actual course of events in Germany, the complete failure of the policy of the social democratic leaders, and their ultimate abject surrender to fascism, has been bought at tremendous sacrifice ; but it is a lesson that must have its effect on the workers of other countries, showing them clearly that history only offers capitalism or communism, fascism or revolution.

But if the actual struggle for the transfer of power to the working class was carried out in Russia more easily and swiftly than can probably be the case elsewhere, the length of the subsequent fight against the counter-revolution was determined by factors which will not have such importance in other countries. The intervention of the Entente armies,

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and to a considerable extent even the support given to the armies of the counter-revolution after the foreign forces had been withdrawn, were possible only because of the situation in 1918 and after the war. Moreover, countries in which the revolution develops later will not be surrounded by an entirely hostile capitalist world, and external attacks will be more than counterbalanced by the aid which the newly-established revolution would receive from the Soviet Union. In the case of Britain and the United States the position in the present colonies and colonial spheres of influence would also be of great importance. Just as the national liberation movement in the outlying areas of the Tsarist Empire was an important factor in the rapid spread of the revolution of 1917, so the national movements in Ireland, India, Egypt and other colonial countries would have an even greater effect in disorganising the capitalist forces after the revolution in Britain. Finally, there is the factor of the advanced stage of the capitalist crisis, bringing with it a sharpening of the class conflicts in every country and making it extremely difficult for foreign governments to intervene without bringing their own countries to the point of revolution. For all these reasons each subsequent revolution will be less and less in danger of external attacks, and the resistance of the possessing class will be a less serious retarding factor than in the Russian revolution.

If external attacks in the open form of armed intervention will be improbable, does this mean that the length of the armed struggle must be much shorter in

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subsequent revolutions than it was in Russia? It is a necessary conclusion. The counter-revolutionary forces in Russia would have had no possible source of supply and no security for their supply bases but for the active help of foreign governments. It is impossible to conceive a counter-revolutionary army within a country in revolution being able to find at its disposal all the raw materials and plant and labour required to maintain its supply of munitions and other military needs. After the first struggle involved in the transfer of power, after the establishment of the revolutionary government, the subsequent armed struggle, however violent and widespread—and it need be neither if the conditions of a revolutionary crisis have fully matured—can only be in effect the despairing stand of armed groups like the cadets in the Winter Palace at Petrograd, cut off from all support, engulfed in the revolutionary wave and swept away within a few hours.

The resistance of the possessing class does not however end with the end of the armed struggle. In Russia open civil war ended in 1920, three years after the revolution ; but the struggle against the surviving capitalist elements and the kulaks is still continuing. And such a struggle is inevitable in every country. After the seizure of State power and the defeat of the ruling section of the capitalist class, each further step in the transition to communism involves a change in the conditions of life for other sections of capitalists and of the middle class or, as in Russia, of the peasants. And this change brings resistance : sometimes passive, sometimes taking the form of acts

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of sabotage and even armed resistance on a local scale, as at various periods in the outlying areas of Russia. How far is this resistance of the smaller capitalists, the middle class, the farmers and small traders, likely to be an important factor in delaying the transition to communism in other countries? The experience in Russia showed that among all the intermediate classes only the petty bourgeoisie were of great importance. It is characteristic of the small capitalists and small traders, and of the "petit bourgeoisie" generally, that they accommodate themselves to changing conditions without organised resistance unless they are led by more clearly defined sections. Thus the middle class elements who to-day in Germany accept, perhaps even welcome and take part in the fascist terror, will to-morrow, when the working class is in control, accept, even welcome and take part in the socialist reorganisation when once it has begun. Resistance will be individual, finding expression in intrigue and speculation rather than in organised conflict. Moreover, there is an essential difference between the economic basis of these intermediate groups in industrial countries and the independent peasant form of production which was the basis of the kulak resistance in Russia. The small capitalists, the traders and shopkeepers and the professional middle class have no possibility of continuing to exist except in dependence on the main productive system. They must of necessity fit themselves into it, willing or unwilling, actively or passively. And this applies also to the farmers of most other industrial countries, in which agricultural

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production is almost entirely for the market. It is true that the typical peasants in France and in some parts of Germany will present a problem analogous to that of the kulak in Russia, but their importance in relation to the rest of the population is much smaller, and industrial conditions will make it easier to provide the technical requirements for their reorganisation in a socialised agriculture.

To sum up : the resistance of the possessing class in Russia was enormously strengthened by aid from the possessing class in other countries—aid which is increasingly unlikely to be possible in future revolutions. This must greatly reduce the period of armed conflict, and therefore the loss of life, material destruction and economic disorganisation, following on the actual moment of revolution. It will also mean that the ground will be cleared at an earlier stage for the technical work of reorganising production and distribution on a planned basis, and raising the general level of production as an essential preliminary to communism.



## CHAPTER VIII

### THE ORGANISATION OF INDUSTRY

BRITAIN, Germany and above all the United States are countries in which the organisation of capitalist industry has been carried furthest. The separate, individually owned factories of early capitalism have developed into groups of factories organised in trusts, spreading even across frontiers and controlled by a single central directing board. Side by side with this process of concentration of capital has also gone the improvement of technique, one aspect of which is the increasing size of the factory or unit of production. In the most highly developed capitalist countries a substantial part of production is carried out by large trusts with large-scale industrial units.

In Tsarist Russia, before the Soviet revolution of 1917, trusts were not unknown. In the oil, coal, metallurgical, engineering and sugar industries large trusts existed, controlling some well-equipped units. But alongside these existed an immense mass of separate concerns in every industry—concerns ranging down to family units—to say nothing of the characteristic *kustar* or peasant industry in the villages. In transport, the railways were already centralised in the hands of the State, and such sea

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and river transport as existed was partially centralised in a few units. But commerce and the distributive trades, apart from the co-operative organisations, were in a chaotic state. As for agriculture, the few large-scale units were surrounded by some sixteen million separate peasant farms.

Such, in brief outline, was the material which had to be brought together and co-ordinated before there was any possibility of a central production plan, a single economic plan for the whole country. The process of co-ordination involved at every stage a struggle with the separate group interests and the independent producers, especially in agriculture ; but the objective difficulties, the technical obstacles which had to be overcome, were also immense.

In the first place, there was almost complete ignorance of what existed, apart from the trusts and the munition works particulars of which had been got together by the Government War Committees during the war. In each particular industry it was necessary in effect to compile a census before it was possible to begin to consider productive capacity, sources of fuel and raw materials, particular types of product and market or area supplied, means of transport and eventually retail distribution of articles of consumption. On the other hand, the country was engaged in civil war ; and it was not until the end of the fighting in August 1920 that it was possible to compile a census of nationalised concerns for the whole country. This showed a total of over 37,000, ranging down to concerns in which only one hired worker was employed.

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Apart from the mere enumeration of industrial units, the process of arranging them, of combining their activities, had however been developing. This was a question not merely of joint administration but primarily of joint working, of fitting into a plan, so that the products of each enterprise moved vertically without the intervention of the market, from the enterprise producing fuel or raw materials through the enterprises carrying out the later stages up to the finished product. The administrative organ for large-scale industry, the Supreme Economic Council, was from the first working on such a plan, grouping the bigger enterprises which were first nationalised into "trusts" for each section of industry and organising an interchange of supplies. But the problem of grappling with the enormous mass of small concerns was too difficult to be carried through in such a short time as three years during which civil war raged over large industrial areas. By 1921 it had become apparent that the attempt to co-ordinate so many scattered enterprises of such various sizes was leading to disaster : instead of a steadily expanding and more efficient plan of production and exchange of products, it was becoming more and more difficult to make any kind of plan, and when one was made it remained largely on paper owing to the dislocation and actual destruction of the civil war. Therefore the New Economic Policy (NEP) was introduced. Its other aspects are dealt with in later chapters ; in the organisation of industry NEP meant the exclusion from centralised control, and therefore from the plan of production and

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distribution, of all small undertakings, which were partially handed over to local control and partially leased to co-operatives or private persons, or closed down altogether. The Supreme Economic Council concentrated under its direct control only the large enterprises in the most important branches of industry ; for the next few years its main function was to consolidate the organisation of these into trusts.

The attempt to build up a plan of production and distribution was not however abandoned ; on the contrary, at the same time as it set limits to the work of the Supreme Economic Council, the Soviet Government established the State Planning Commission (GOSPLAN) :

“ Its duties are to co-ordinate the needs and resources of industry, agriculture, transport, food supply, etc. . . . It must institute a single economic scheme embracing all Russia.”

From this point onwards the Supreme Economic Council was engaged on organising the production and distribution of the larger economic enterprises, gradually adding the smaller units to existing trusts only after careful preparation and in order to round off particular sections of industry. It is not necessary to follow the organisation in detail through its various stages : the consolidation of trusts and selling syndicates within each industry, leading up to the merging of these trusts and syndicates in huge “ Combines ” embracing whole sections of industry. What is important is the length of the process.

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Although from 1923 onwards the organisation of these State-owned enterprises was fairly complete, they covered only the main concerns in the main industries, and it was not until after 1927, when the pre-war level of production was reached in Soviet industry as a whole, that practically all town industry was organised in the trusts of the Soviet Union or those of the separate republics forming part of the Union.

In the meanwhile the GOSPLAN had been going ahead with its work. Outside the Supreme Economic Council's control and plan there were still many private concerns, chiefly commercial in type ; there were also the co-operative organisations and the sections of trade and industry under the control of special Commissariats ; and redistribution of land since 1917 had created a total of twenty-five million separate peasant farms. GOSPLAN'S first attempts to draft a general plan were not more than rough approximations of the main items. In April 1923, the Twelfth Congress of the Russian Communist Party recognised the need to hurry forward with a national plan, but :

“ The whole of our former experience has shown that a plan of socialist economy cannot be drawn up *a priori* or in a theoretical or bureaucratic fashion. A real socialist economic plan co-ordinating all sections of industry in their relations to each other and industry as a whole with agriculture, is only possible as the result of a long preparatory economic experience on the

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basis of nationalisation, with continuous efforts to secure the practical co-ordination of the various sections of industry and accurate recording of the results."

It was not until 1925 that it was possible to produce "control figures" of the general economic work for the following year; and even these were incomplete and only approximate. A large part of the difficulty of shaping the plan came from the inadequate and conflicting statistics of different Commissariats and trusts, and it was therefore necessary to make practically a fresh start to strengthen the statistical sections of these bodies and of the planning commissions of the separate republics of the Union. It required another two years of experience before the single economic plan was securely enough based to be launched as a definite working plan, combining production for current purposes with the building up of huge new enterprises to extend production in the future. This plan, the first Five Year Plan, began to operate in the autumn of 1928.

If by this time industry was relatively well organised in units which could both provide the necessary statistics and also carry out the plan, this was far from the case in agriculture. The next phase—a phase which is still in progress—was the organisation of the peasants in collective farms, and also the starting of large numbers of vast State farms. With the completion of this task the preliminary work both of organising industry and of creating the basis

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for accurate national planning will have been completed.

Even if the first three years of civil war and almost complete economic dislocation are left out of account, it was seven years before a really comprehensive plan could be brought forward and put into operation. Even then, agriculture only entered partially into the plan, and it required a further long period before agricultural production as a whole could be incorporated, and agriculture's needs of other products could be accurately known. It is therefore probable that before a full socialist plan of production and distribution can be operating, twenty years will have elapsed since the revolution of 1917.

But it is necessary to understand why this was so in Russia, the particular nature of the difficulties, before any estimate can be made of how long the technical process of organising industry and making a plan will take in other countries. It is also necessary to note the comparative ease with which the bigger concerns and units were organised and set to work on a planned basis as between themselves—that is to say, the enterprises covered by the decree of June 1918, formally nationalising all concerns with a capital of at least a million roubles—roughly equivalent to £100,000. The dislocation of the civil war was undoubtedly the fundamental reason why the process of organisation could not go straight ahead from the larger units to the smaller; why in fact NEP had to be introduced, and why the process of organising the smaller units took until 1928. The

length of the subsequent period of organisation—the period of the two Five Year Plans—is conditioned by the vast number of peasant farms which had to be assimilated. And in turn the time taken to complete this stage of the process was clearly due to two facts : the backward state of industrial production, in consequence of which the technical basis for large-scale agriculture had to be created before large-scale units could be organised ; and secondly, the fact that the huge number of separate units were *producing* units.

This second point is of primary importance in considering how far the Russian experience is applicable to the organisation of the whole system of production and distribution in other countries. Small trading units exist only on the basis of small producing units, at least in the sense that the organisation of productive industry in large-scale units immediately brings the small trading units into a position of complete dependence. This is well-known in the experience of all highly developed capitalist countries. The creation of a monopoly or semi-monopoly in the production of a particular article is the basis for a parallel monopoly not only in the wholesale trade but in the “ tied house ” of retail trade. If the distributive trades are still, as in Britain, in a state of absolutely chaotic confusion, this is due to the fact that they were built up in the days of early, separate, untrusting productive industry, and are only gradually being forced into the mould of monopoly.

The dependence of trading organisation on the organisation of industry can be seen also in the



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statistics of the Soviet Union. In industry, excluding agriculture, the growth of production in the socialised sector (State and co-operative organisations) up to 97 per cent of the total in 1931, was accompanied by the parallel growth of the trade turnover (wholesale and retail) of the socialised sector up to 98 per cent of the total. The rapidly increasing share of the socialised sector in retail trade from 78 per cent in 1928 to 98 per cent in 1931 was itself conditioned by the rapid growth of the socialised sector in agricultural production from under 5 per cent in 1928 to 55 per cent in 1931.

It is therefore clear enough that although the organisation of wholesale and retail trade is, from a technical standpoint, a distinct problem, in which the conservative and openly resisting tendencies of the trading section must be overcome, yet the solution of this problem becomes easy and almost automatic once productive industry has been organised. And it is from this standpoint that the problem of organising industry in such a country as Britain must be approached.

The disorganisation of industry and trade is a characteristic feature of capitalist society, in spite of tendencies to trustification. In Britain, for example, industry and trade are at present "organised" in 19,000 public companies, 95,000 private companies, and 275,000 concerns registered under the Business Names Act, besides an unknown number of other personal businesses which are not registered, and approximately 500,000 separate agricultural holdings. To bring some semblance of order into this

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chaos may well seem a task of decades. But if the problem is approached from the standpoint of the productive units the possibility of solving it in a short space of time becomes real. In the coal industry, for example, about 1,400 separate concerns mine the coal, while there are some 17,000 firms engaged in the distribution and sale of coal. Moreover, among the mining concerns, 33 per cent. of the number produce 93 per cent of the output ; centralised statistics already exist ; co-ordinated production in the capitalist sense—restriction of output—is already established. Co-ordinated production in the socialist sense—an immense increase in output on a definite plan, the abolition of boundaries restricting the economic working of coal, centralised pumping arrangements, etc.—becomes a simple technical problem once the multiplicity of ownerships is abolished. The main lines of the technical organisation of coal mining in the various fields have already been worked out and put before the innumerable commissions and committees of enquiry into the coal industry ; the schemes for linking up coal-mining with the use of by-products, the generation of electricity, and now the production of oil from coal, are all familiar to technical experts and students and in a general way to the public. The building up of the unified organisation for putting these schemes into operation is not at this stage a question of decades, but almost of months. The centralised organisation of the output of coal would at the same time go more than half way towards solving the problem created by the present distribution and sale of coal by 17,000

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concerns. With the railways, shipping and all large-scale industry socialised at the same time as the coal industry, the transfer of coal from the pits to these users of coal does not require any machinery of coal factors competing to sell the output of 1,400 concerns to tens of thousands of separate buyers. The problem of the retail sale of coal, to individual users, could be solved at one stroke by the method already so often proposed : the concentration of this business in the hands of the local council—in revolutionary Britain, the workers' council—the local co-operative organisation or a special retail distribution unit of the coal industry organisation. The important point is that the creation of a single interest in the output of coal immediately does away with the *function* of the separate coal distributors in each town, which is to find buyers for the output of a particular colliery in competition with distributors working for other collieries. It is this, and not the physical distribution of coal, which is the special function of the existing multiplicity of distributors.

And if the organisation of both the producing and the distributing sides of the coal industry presents so little difficulty, this is equally true of all the industries producing raw materials, and also of the industries producing means of production. In a country in which all large-scale production is socialised and the extension of industry is guided by a social plan and not the possibility of individual profit, the output and transfer to users of raw materials and means of production requires no apparatus that could not be built up within a few months. This, in spite of all

difficulties, was also the experience in Russia after the revolution for the larger concerns which were controlled by the Supreme Economic Council.

The production and also the distribution of articles of consumption is, on the other hand, necessarily more difficult to organise. The producing units are smaller, and their geographical distribution much wider, than is the case in the industries producing raw materials and means of production. The types of product and the existing system of wholesale and retail distribution are also far more complicated. But already even in these industries large units exist. The Lancashire cotton industry is divided into hundreds of separate units in spinning, weaving and the finishing sections ; but there are also big concerns organising all stages of production on a fairly large scale. The co-ordination plans of the Lancashire Cotton Corporation—the purpose of which under capitalism is the restriction of output—could also, in fact, can only, be carried out in socialist form, when the barriers of private ownership have been swept away. There is no serious technical difficulty in such co-ordination : in the organised distribution, on the basis of a production plan, of raw materials imported by a central body ; in the concentration of particular raw materials on certain factories for the manufacture of special products ; in the organisation of a centralised apparatus at least for the wholesale trade in these products. And this is true also of the woollen industry and other textile industries, and in fact even of the clothing and staple food industries in so far as they have reached the stage of factory production.

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The socialisation of these concerns ; their immediate and temporary control, on behalf of the revolutionary government, by the workers engaged in them ; the co-ordination of the larger units on a national scale, and of the smaller units, supplying mainly local needs, in local organisations, probably co-operative—the essential work for building up such organisation is a matter of months, not years. If outside this system of organisation there still exist small-scale units, petty production, such as small-scale baking and the making of confectionery, individual tailoring and other small concerns of this type, this need no more delay or obstruct the organisation of the “socialised sector” than did the existence of similar petty production in Russia at the time of the revolution.

It is not to be expected that the building up of this organisation, even in Britain, will be continuous and free from difficulties. It is certain—even leaving political resistance and sabotage out of account—that the newly socialised industries will at first have large gaps in organisation, that there will be a certain inefficiency necessarily arising from inexperience and the general novelty of the system of production. There may be temporary or local shortages of particular products. Difficulties and hardships will result. But even in Russia, starting with an equally unorganised industry and with all the dislocation of prolonged civil war, besides the special difficulties arising from dependence on peasant production, the process of organising industry as distinct from agriculture was virtually completed in the six years

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between 1921 and 1927. In Britain there is no reason why a similar stage, in which all but individual production is organised, should not be reached in two years.

The organisation of wholesale and retail trade must necessarily follow the organisation of production. From the moment when large-scale industry is organised, the wholesale trade in the products of large-scale industry will also be organised and will enter into the general plan. And side by side with the organisation of small and petty industry the products of this industry must naturally flow to the consumers through co-operative or State retail concerns. In spite therefore of the existing mass of small distributors, the process of organising retail distribution will take no longer than the organisation of small-scale productive industry.

Of the 500,000 separate producing units in British agriculture, about 100,000 are of less than five acres, 225,000 are between five and fifty acres in area, and 175,000 are of over fifty acres. Practically the whole of this last group, which in total acreage represents 85 per cent of the whole cultivated area, is worked with hired labour, although even in this group the number of hired workers is in many cases very small. In comparison with the twenty-five million peasant farms of Russia, therefore, British agriculture is a simple problem. With 85 per cent of the acreage worked with hired labour, the socialisation of the farms would mean no break in production by the actual producers. The organisation of farm or village councils to control the work, to control the assembling

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of the products and their despatch in accordance with the existing practice at first, and later on the basis of a county and national plan, is a relatively simple matter, in the carrying out of which any resistance from the farmers—and many of the working farmers would help rather than hinder—would be overcome by the agricultural workers. It is a totally different problem from the transformation of peasant producers into collective workers on large farms ; it is similar rather to the taking over of the large estates in Russia and their organisation as State farms—a measure which was only unsuccessful (and unsuccessful only partially) because of the three years of civil war and the backwardness of industry. The organisation of the separate farms of over fifty acres in Britain into larger units, the raising of the productive level and with this the general organisation of agricultural production in its various branches on a scientific basis, would be simply a question of time, but the main features of the new organisation would be in force within a year for 85 per cent of the total area, and by the second year a substantially increased production should be assured.

As for the remaining 15 per cent. of the area, which is now worked by some 300,000 separate producers, the first form of organisation must necessarily be along co-operative lines. In some areas co-operative buying and selling organisations already exist ; in others, they would have to be built up. There is no reason to suppose that this would be a very long process ; the slowness of co-operative developments in British agriculture is largely due to the stranglehold

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of monopolist distributors. Most of the small farmers would be active supporters of a revolution which abolished rent and interest (and of course tithes where these are paid) and offered the co-operative alternative to the present fleecing by wholesale distributors. The further process, from co-operative purchase of requirements and sale of products to collective production, might not be very rapid, although the experience in Russia in 1929 and 1930 shows how rapidly the change is carried through when the technical possibility of collective production has been created ; in Britain the technical possibility exists from the start. In any case, the specific weight of this section of agriculture (farms under fifty acres in area) is so small that the rate at which it developed a completely centralised organisation would not be of great importance ; it would certainly not hold back the organisation of the rest of British agriculture and industry.

In Britain, therefore, the special difficulties which in Russia delayed the organisation of industry and agriculture do not exist. And although both Germany and the United States have special problems of their own, particularly in relation to agriculture, yet in essentials the question of organising industry in all highly developed industrial countries is simple. The specific weight of trustified industry, of large-scale, easily organised industry and trade, is very high, and either the organisation or the submersion of small-scale industry and trade must follow rapidly on the organisation of the large-scale units after the revolution. It is, of course, impossible to isolate any



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factor, such as the stage of organisation reached in each country, from the other features in the transition, especially the factor of resistance by the dispossessed class ; but it is at least clear that the technical questions of organising industry and agriculture, of creating the basis for planned production, will be easily solved once the barriers of private ownership are removed.

In one respect Britain has a special problem to face—the organisation for the import of food and raw material requirements, with the export organisation which must provide for sales of corresponding exports. Foreign trade after the revolution, however, will be entirely different in character from what it is to-day. Exports will have simply the character of exchange against imports—an exchange in the direct sense of barter in trade with other socialist countries, and exchange through the medium of money, by sale and purchase, in the case of trade with any surviving capitalist countries. The existence of the Soviet Union will make a profound difference in the trading relations of all future socialist countries. If the revolution comes in further countries before it reaches Britain, or at the same time (as it undoubtedly will in the countries now forming part of the British Empire) the problem of trade will be considerably simplified for Britain. Imports from other countries will be necessary to provide at least a substantial part of Britain's requirements of raw materials and food. For while it is not true that the revolution could be starved out in a few weeks—stocks and home produce of food account at most

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times of the year for from six to eight months' normal demand—it is true that capitalism has tremendously overweighted Britain's industrial development and ruined its agriculture, and that it will take time to adjust the balance. In so far as other socialist countries can provide the raw materials and food required, Britain will produce and export in exchange the products which these countries need ; the problem of organising the production of these articles is an internal one for the production plan of each country, and the exchange between the two countries requires no elaborate buying and selling organisation : it would take place as it were in the Central Planning Departments, and the physical transfer would be a simple matter of transport organisation.

In so far as it was necessary to import from surviving capitalist countries—and therefore to export to them in exchange—this trade would necessarily be controlled, made into a State monopoly. But there would be no speculative element in the purchase of goods from abroad : they would be bought not to sell on the market but to hand over to specific users (factories, co-operatives, etc.). The production of goods by the socialised factories for export and sale in the capitalist countries would however be speculative to this extent—that individual buyers would have to be found for them. However, the export sales organisation, representing the single interest of socialist Britain, would have an immense advantage over individual capitalist competitors. As the Russian experience has shown, the technical organisation

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of foreign trade is far easier after the revolution, through a centralised foreign trade monopoly, than under capitalism. The difficulties are primarily political—in the case of Russia, blockade and varying degrees of boycott and embargo. But a socialist Britain would not be surrounded by a hostile capitalist world : and in so far as the surviving capitalist world adopted hostile measures, support would be forthcoming from the Soviet Union and almost certainly other socialist countries in Europe and in parts at least of what is now the British Empire. But a socialist Britain would at no stage have need of a complicated mechanism of foreign trade such as exists to-day, with its myriads of competitive brokers and merchants and shippers and bankers and bill-discounters and all the “ delicate mechanism ” of investment and transfers of interest and dividends and its crowning pyramid of speculation in “ international counters,” commodities and exchange.

## CHAPTER IX

### RAISING THE LEVEL OF PRODUCTION

IN *The Communist Manifesto* Marx and Engels stated that one of the first aims of the working class after it had taken power would necessarily be to "increase the total of productive forces as rapidly as possible." For in spite of the fact that capitalism has developed tremendous productive forces, it has nevertheless held back their growth in the periodic crises which have occurred since 1825, and especially during the general crisis of capitalism since the war. In the present acute phase of the general crisis, which has lasted since 1930, there has been practically no new investment in capitalist productive industry ; that is to say, apart from new plant introduced by a few of the biggest combines in order to produce the same output as before with less labour, there has been no increase in the world's total productive forces. In fact, deliberate destruction and deterioration of machinery and equipment have probably made a substantial reduction in the effective total. Apart from the material means of production, vast productive forces of human labour have been idle for years, necessarily deteriorating in skill and strength, and a large proportion of the boys and girls leaving school each year have gone in effect straight to the

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scrap-heap. In this country Mr. Neville Chamberlain has forecast ten more years of widespread unemployment. Even in times of booming trade new inventions are often held back because of the capital already sunk in old plant, and useful developments are constantly coming up against the barriers of private property and privately owned patents or monopolies. For all these reasons, even in the most highly industrialised capitalist countries productive capacity is far below the level made possible by the developments of science and technique.

The abolition of the private ownership of the means of production opens up at once the possibility of using vast forces which capitalism could not use. And the working class in power has to make use of these forces, has to drive forward to develop both the material and the human forces of production, in order to raise the general standard of living as rapidly as possible, and finally to reach the stage when "it will be possible . . . for society to inscribe on its banners : from each according to his abilities : to each according to his needs." How long it will be in each country before this stage is reached depends chiefly on the actual level of the productive forces (material and human) when the transition begins, and the rate of increase which objective conditions make possible.

It is certain, however, that there will be no smooth development from the level reached under capitalist society to the higher levels made possible by the socialist organisation of production and distribution. Every form of reorganisation involves a temporary

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check to growth ; when the reorganisation has to be carried out under conditions which involve not merely the difficulty of adapting things to a new system—the delay in making people understand it, in training them out of old habits and into new—but also conscious, deliberate resistance and sabotage, then the check to development is serious, and it may be a long time before the advantages of the new methods are realised in actual production. Thus in the first stage of the transition there is bound to be a more or less serious fall in production, which is directly due to the measures taken to change the system, and therefore appears to be evidence that the new system “ cannot work.” The passage in *The Communist Manifesto* which refers to the need to increase the productive forces as rapidly as possible, continues :

“ Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property and on the conditions of bourgeois production ; by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves and are unavoidable as a means of entirely revolutionising the mode of production.”

The Russian revolution has shown both phases of this process most clearly. Before the war, and up to the period when the general dislocation of the war had become an actual check to production, the productive forces in Russia had been more or less

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steadily developing. The general level was not high in comparison with the standards of other capitalist countries, and in particular heavy industry and the output of means of production were extremely backward. Practically the whole of Russia's requirements of machinery had to be imported ; and above all, the railway system was so inadequate, both in lines and in rolling stock, that it completely broke down under the strain of the war. To a considerable extent, it is true, the tremendous decline in production after the revolution was merely the culminating phase of the difficulties of the war—difficulties which themselves led to the acute economic crisis from which the revolution sprang. The state of affairs on the railways can be imagined from the fact that even in 1914, of a total of 20,057 locomotives, 1,682 were over 40 years old, 3,330 between twenty and forty years, 7,937 between 10 and 20 years, and only 7,108 were under 10 years old. With the additional strain of war conditions it is not surprising that the percentage of disabled locomotives rose by March 1917 to 20, by November 1917 to 27, reaching over 50 in the acute phase of the civil war in 1919 and 1920.

The catastrophic fall in production in the first three years of the revolution was undoubtedly partly conditioned by the general dislocation of the European war, and would have shown itself even apart from the revolution. But it was also the direct result of changes of ownership and organisation, "despotic inroads on the rights of property," measures "economically insufficient and untenable," though unavoidable steps in the transition. But even

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such disorganising factors as the change of management—during the early period, it was generally taken over by inexperienced workers' committees—and the break-up of the previous machinery for buying and selling, were insignificant compared with the factor of actual armed attacks and sabotage conducted by the anti-Soviet forces with support from the capitalist governments of the great industrial countries. To illustrate again from railway transport, in the course of the civil war 3,672 railway bridges and culverts and 1,200 miles of track were destroyed. The effect on a railway system such as the Russian, with immense stretches of line without alternative routes, can be imagined, and the further effects on all industrial production.

It necessarily also followed from Russia's industrial backwardness that even before the war there was a great shortage of experienced technical and manual workers. The technical staffs of most of the larger factories were recruited from abroad, and skilled manual labour, apart from the relatively long-established textile industry, was confined to the largest engineering works. A large proportion of the labour in the factories and mines was without long industrial experience ; many of the workers were fresh from the villages, and many were not permanent industrial workers but moved from and to the villages with the changing seasons. Experienced administrative workers were experienced only as a corrupt bureaucracy, and after the revolution large numbers of them left the country or took an active part in the counter-revolution.



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The shortage of experienced manual, technical and administrative workers was a most serious retarding factor both in production and in the organisation of industry. It was made worse by the long fight that had to be waged against the counter-revolution : the most skilled and experienced workers in industry were also the most politically developed, the most reliable elements for the revolutionary armies, and in the most acute stages of the fighting numbers had to be taken from the factories to lead and train the less developed forces and to form the shock troops in decisive campaigns. Heavy casualties thinned their ranks, while other skilled workers were necessarily drawn into the administrative machine. On the other hand, most of the experienced technical and administrative workers refused at first to work with the Soviets, even if they were not actively engaged in the counter-revolution.

The combined result of all these factors, material and human, was the fall of total industrial production, taking the 1913 level as 100, to 77 in 1917 and 18 in 1920 ! The fall in agricultural production was naturally not so great, owing to the relative stability of peasant production ; but even it fell from 100 in 1913 to 91 in 1917 and 71 in 1920. (It is not to be supposed, of course, that these early official estimates are very accurate ; but they are the only material available.) The virtual closing down of the ore mining and metallurgical industries was of particular importance : in relation to 1913, ore output in 1920 was 1·7 per cent, and steel output 2·4 per cent.

It was from this abysmal level that production had

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to be raised when the final defeat of the counter-revolutionary forces in 1920 made it possible to begin the upward movement. It took seven years—until 1927, ten years after the Soviet revolution—to raise the level of production even to the pre-war level. And this level was low enough in articles of consumption, but in means of production it was insignificant: whole branches of modern industry did not exist at all. Without an intensive drive to expand the engineering industry, particularly the machine construction section, the metallurgical industry to provide the raw materials, and the net of electricity stations to provide power and light, it was impossible to raise the productive level to any marked extent. Concentration on the means of production necessitated the relative holding back of output of articles of consumption; moreover, the extension of trade with the peasantry in the course of developing agriculture meant a new demand for articles of consumption for the countryside, so that although the general level of production was rising rapidly, the level of actual consumption in the towns rose only slowly, and in certain periods even declined.

It is impossible to exaggerate the difficulties and delays which were due to the human factor—the lack of technical knowledge and of even ordinary skill—throughout the whole period of construction after 1920. The effect was seen not only in the work of factories and mines and railways, but right through the economic apparatus. And as the Five Year Plan developed, and millions of new workers were drawn

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into industry, it became a question of even greater importance than before, applying to unskilled as well as to skilled work. Hands which were absolutely untrained to industry were constantly destroying their implements and products. Even comparatively skilled labourers were not familiar with the modern types of machinery and the most up-to-date methods. Technical workers, too, did not know modern methods, and often made serious blunders which held back the development of production. The position was even worse in agriculture. The most primitive means of cultivation were employed by the mass of the peasants, and apart altogether from the organisation of agriculture on a collective basis, the most painstaking work was necessary to prepare agricultural instructors with some knowledge of modern methods of cultivation, the use of fertilisers, seed-selection and the storing and working up of products.

At the end of the civil war, and even in its later stages, some of the former technical intelligentsia who had at first been hostile changed their attitude to the new system and began to take up active work. They gave considerable help in the reorganisation of industry ; but their whole training and outlook made most of them a source of continual danger. Partly from conscious motives of hostility, partly from their lack of understanding of the new forms of organisation, they were constantly coming into conflict both with the central administration and with the workers round them. To some extent this was also true of the foreign specialists who were engaged

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by the Soviet Government to help in or direct parts of the construction programme.

The problem of raising the level of the productive forces was therefore a double one, material and human. Factories had to be built, mines sunk, wells bored ; pipe-lines, railways and ships had to be constructed ; electricity generating stations had to be built, and distributing systems developed ; new sources of agricultural raw materials had to be found, or old ones extended. And at the same time the human material required to work them—managing, technical and manual—had to be trained.

The method of training workers in the Soviet Union was closely bound up with the change in the basis of society. The schools were labour schools, in which instruction was combined with actual labour. "Workers' Faculties" were attached to the Universities, and large numbers of new technical training colleges and research institutions were set up, as well as factory and trade schools. In this way an immense diffusion of technical training was carried through : in 1932 there were a million students in factory and trade schools, 420,000 in technical schools, and 350,000 in the workers' faculties at the Universities. But vast as were the numbers trained, they always lagged behind the requirements of a rapidly expanding industry. Excluding agricultural workers, the number of employed workers and clerical employees in the Soviet Union rose from 5,843,000 in 1923 to 13,713,000 in 1931. The whole system of education and training ensures that there are no blind alley occupations, and that no workers are doomed for

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life to unskilled labour, and so there is a constant flow through the factory schools and trade schools into the ranks of the more highly skilled workers. Nor is this training limited to the particular industry in which the worker happens to be engaged : he is free to choose whatever line of training he desires. In this way there has been developing a steadily increasing number of workers with a wide training which enables them to fit into the requirements of expanding industries.

In raising the level of production, however, individual training has been supplemented by a new factor also bound up with the new basis of society—the “ shock brigade.” In the early years of the revolution it was usual for the members of the Communist Party and Young Communist League and the most active workers associated with them in the factories to undertake “ Subbotniks ”—Saturdayings—when they carried out in their own time particular pieces of work which were urgently required to hurry forward production. At a later stage similar groups in the factories formed themselves into “ shock brigades ” to maintain or surpass the output required of their factory under the Five Year Plan ; there was “ socialist competition ” between the shock brigades, and their example inspired other workers to help in keeping production up to the level of the plan. In every factory the plan was submitted to the workers ; the shock brigades and active workers would put forward a counter-plan to produce a higher output than was originally proposed, and in this way too the general spirit of the workers was

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raised, and a higher production actually secured.

Moreover, in every stage of their education and training and work the workers were encouraged to take individual and group responsibility, to put forward new ideas and suggestions for better methods of organisation and production. The initiative developed in this way was of tremendous importance in overcoming the difficulties which arose from the lack of experienced technical and administrative workers.

The First Five Year Plan, which began to operate in the autumn of 1928, showed the rapid progress that is possible on the basis of planned economy and the "shock tactics" of revolutionary workers. By the end of 1932—four and a quarter years from the start of the plan—the general level of production was approximately three times the 1927 level, which was the same as the 1913 level. The character of production, too, had completely changed. All sections of the engineering industry had been reorganised and extended, or established for the first time. The specific weight of industrial production (as against agricultural) was raised from 48 per cent in 1928 to 70 per cent at the end of 1932; the total output of Soviet industry for 1932, at 1913 prices, was 334 per cent of the 1913 total. Machine construction, automobile, tractor, agricultural machinery and chemical industries had developed from nothing or next to nothing; huge new electrical power stations were working, and huge new metallurgical plants were the central units of whole new industrial areas.

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In agriculture, however, the advance was much slower. Before the level of production could be raised, a double process had to be carried through : the separate peasant farms had to be merged in large units, capable of using modern productive methods ; and on the other hand the material basis for these new productive methods—tractors and agricultural machinery of all kinds—had to be made available. The first needs of agricultural machinery were met by importing from abroad, and it was mainly on the basis of imports that the original Five Year Plan proposed to organise 20 per cent of the peasant farms into collectives by the autumn of 1933. But the first results of the propaganda for collectivisation exceeded the estimates : by the second year the 20 per cent proposed for the fifth year had already been passed. And at this point the low level of the productive forces showed itself once again as a drag on the process of transition. The newly collectivised peasants clamoured for agricultural machinery which, according to the plan, would only be delivered in the fifth year. Hence disillusionment, and a temporary drifting out of the collectives ; but also a complete redrafting of the plan, the abandonment of reliance on imports and the rapid building of the giant tractor construction works which were the basis for the later collective farms and tractor stations.

It was inevitable that the process of collectivisation could not take place without conflict. The kulak elements among the peasantry fought against it, and the effects of this struggle retarded the actual

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attainment of the theoretical advantages of collective farming and new technical methods. But the basis has now been laid for a substantial increase in output through the collective farms, and thus for the further advance in all sections of industry which this will make possible.

This next advance is provided for in the second Five Year Plan, which began to operate in 1933. The special feature in this plan is the change in the relative rate of development as between means of production and articles of consumption. It is true that the increase of productive forces continues at a high rate. For example, the output of pig iron in 1937 is to reach 22 million tons : double the highest output ever reached in industrial Britain. The railways are to be reconstructed, and new lines totalling 20,000 miles are to be built. Immense developments are planned for the electrical, engineering and chemical industries. But an even higher rate of growth is to apply to the output of articles of general consumption. This has been made possible by the successful carrying out of the first Five Year Plan, which laid the foundation on which light industry could develop. In the second Five Year Plan it is proposed at least to double the output of food and articles of consumption—that is, the standard of living. And at the same time the further growth of the heavy industries will have paved the way for a still further rise in the standard of living, together with a further decrease in the working day made possible by the modernisation of industrial plant and methods throughout industry.



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For even if the second Five Year Plan is carried out without interruption by war, even if by 1937 the standard of living is more than doubled, and raised to a level unknown to the working-class of any other country ; even if the last remnants of the old capitalist and pre-capitalist society are rooted out, this does not mean that " complete Communism " will have been reached. Production will not have attained a level at which it can satisfy fully the material and cultural needs of all members of society, after the necessary reserves for increasing future production have been put aside. This stage will not be reached for many years yet. But the technical basis for a steady advance of production to this point will have been prepared : an advance in which there is no longer any need to concentrate on the means of production to the exclusion of consumption goods, because a properly balanced and modern industry has already been created ; an advance in which agriculture takes its place with other industries in the use of scientific methods and the most modern technique.

That it will have taken twenty years to reach even this stage is due to the particular conditions in which the process had to be carried through : the weak industrial organisation, the low level of the productive forces at the time of the revolution ; the actual destruction and dislocation of three years of civil war ; the hostility of the capitalist world outside, and the need to devote energy and resources to the building up of strong defensive forces and reserves ; the completely backward and unorganised conditions of peasant production in agriculture ; the need to pass

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through a long period of training skilled manual, technical and administrative workers as a basis for raising the general level of production with improved technique. All of these difficulties are specific to the particular country in which the revolution took place ; by their side, the difficulties inherent in the revolutionary process, the dislocation and waste necessarily involved in a complete reorganisation, are comparatively insignificant.

This can best be appreciated from a comparison of the conditions in Russia at the time of the revolution with the conditions under which the transition would begin and be carried through in countries which are already more highly developed from an industrial standpoint. In Germany, Britain and the United States the productive capacity of industry considerably exceeds the capacity of Soviet industry even at the end of the first Five Year Plan, and for smaller populations. Moreover, in each of these countries practically all sections of industry exist in a developed form, with fairly modern technique. This is more true of Germany and the United States than it is of Britain, but even in Britain, although the average unit in most industries is smaller than in the other two countries, the machine construction industry is so highly developed that the technical modernisation of industry would be a fairly simple problem. It can therefore be said that in so far as the existing level of productive capacity at the time of the revolution determines the length of the transition, Britain, Germany and the United States would start at a point which it has taken the Soviet Union at least

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fifteen years to reach. This is also true of the transport position, which in all these countries requires no special attention to enable a highly-developed industry to work at top speed.

In the sphere of agriculture, however, conditions vary enormously between the three countries and even within each country. In Britain the problem is not so difficult from the standpoint of raising the technical level. Organisation on a basis which makes modern technique possible does not present the same difficulty as in a land of peasant producers. This means that the process of collectivisation and formation of State farms, which in the Soviet Union could not seriously begin until twelve years after the revolution, could be started in Britain from the first month after the revolution. On the other hand, agriculture in Britain would be called on to fulfil a very heavy task. At the present time about one-half of Britain's food requirements are produced in Britain. To double the present output is a gigantic technical task, and if a revolutionary Britain is not surrounded by a hostile capitalist world, may be quite unnecessary in the early years. Nevertheless there would have to be a very rapid development of food production, and in all probability agriculture would be the "shock" area for the British revolution, corresponding with the engineering industry in the Soviet Union, and putting special demands on the agricultural machinery and chemical industries as well as transport.

The belief that there is no possibility of any important increase in the output of British agriculture

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is true of capitalist Britain, but not of Socialist Britain. In capitalist Britain to-day, most farmers, small or large, and whether they employ hired labour or not, are producing for the market. Capitalist crisis, with its devastating effect on the average standard of living of the working-class in every country, has brought over-production and falling prices for all agricultural products. This has hit agricultural producers everywhere, but in Britain, with its deadweight of rent and its monopoly control of distribution of the farmer's products, the blow has been particularly severe.

In a society in which rent and interest were abolished, production would not be held back by these burdens ; in a society in which the standard of living of the industrial population was rising rapidly, and in which the profits motive no longer existed, the only limit to increased agricultural production would be the stage of technical organisation and development.

The bringing of all available land into use ; the building up of a plan of production based on actual needs and the most practical use of different types of land ; the scientific improvement of land, the use of fertilisers, selection and care of stock, the more careful use of products and by-products—all of this, and the resultant improvement in the position of all agricultural producers, is not possible under capitalism because of the conflicting interests and above all the drive for monopoly profits, the bringing in of interest on foreign investments in the form of agricultural products, and the capitalist crisis itself. But

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this technical work of reorganisation, of raising the productive level, can be carried out by a workers' government which has swept capitalist production and imperialist investments out of existence.

It is impossible to form any estimate of the extent to which agricultural production in Britain could be increased. But the very fact that the actual output, for example of beet and wheat, responds to subsidies, shows that there is no technical difficulty in an increase of output : it is simply a question of removing the barriers which now hold back agriculture, and then consciously and deliberately organising production along the most practical lines.

In the United States, agriculture is already on a relatively high technical level, with immense possibilities of extension and with industrial resources to meet every need ; and even in Germany, in spite of areas of peasant producers, the large estate cultivated on modern lines is the predominant form.

But the existing level of productive forces even in the most highly developed industrial countries is very far from adequate to meet the needs of society. Even if all the existing productive forces were in full use, and this together with the abolition of class privileges brought a general rise in the standard of living to a level twice the present level, this would only be the first step in the creation of a material basis for communist society. Apart from the general increase in output, the raising of the level of technique is a necessary basis for shortening the hours of work. In Britain, for example, this necessarily involves the carrying out of the whole scheme of

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electrification for which technical plans exist, although they can only be carried out when all the barriers of private property have been swept away. And in every industry technical improvements are essential to a rapid increase of output parallel with a decrease in the working day.

The relative advantages of Britain, Germany and the United States are however most marked in the sphere of the human productive forces. There is not only the immense reserve of experienced workers now unemployed—a reserve which will be added to year by year while capitalism lasts. In the Soviet Union the laws of labour protection have made it possible for women to enter industry almost as freely as men. The application of these laws in industrial countries, the establishment of factory crèches, of eight weeks paid holiday before and after childbirth, of time off for nursing mothers, and above all the complete change in the position of women in society, would open up further immense reserves of labour which if not already skilled would be of a far higher technical level in general education, and therefore infinitely easier to train, than the Russian peasant.

It is the same with technical workers. In each of these three countries, particularly Germany, the number of technical workers actually engaged in industry is far higher than it was in Russia at the time of the revolution. In addition, there is a considerable and increasing reserve of trained technical workers whose potential value to society can never be realised under capitalism. There can be little doubt that once the revolutionary government had

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been established the great majority of these workers would willingly take part in building up the new system of production. Capitalism has not given the majority of them such a privileged position that they will instinctively fight to defend it. Large numbers of them are already aware of the immense demand for technical workers which the new system has created in the Soviet Union. They will know that it is impossible for them to find any employment in other capitalist countries, and they will soon realise, if they do not already realise by the time of the revolution, that the complete reconstruction of industry, the putting into operation of new development plans and the whole upward leap of production will give them unparalleled opportunities not only of making a living but of creating, using their technical knowledge on a scale which is impossible in capitalist society.

In the case of administrative workers, too, Britain, Germany and the United States would be in a far better position than Russia was at the time of the revolution. It is not a question of the higher administrative staffs, which both in the State machine and in industry are virtually a part of the capitalist class ; moreover, their experience is experience of running the capitalist system, and they would be equal to unskilled and even crippled workers if they tried to apply their experience to the new system. But there are large numbers of the lower grades of administrative workers who are also becoming increasingly conscious that they have nothing to hope for from capitalism ; many are already in general

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sympathy with socialist ideas, and would from the first work loyally with the revolutionary government. Of far greater importance, however, are the large numbers of workers with good technical qualifications and experience in trade union and co-operative work who would be able from the first to take an active part in administering both State and industrial institutions.

What is at issue here is of course only the position immediately after the workers had taken power, and are beginning to organise production and distribution on the new lines. At this stage it is of the utmost importance to have the help of individuals who are already trained and experienced on the technical operations involved in production and distribution. The programme of the Russian Communist Party adopted at its Eighth Congress in March 1919, contained the following passages :

“ This task of developing the forces of production requires the immediate, widespread and many-sided utilisation of the experts (scientists and technicians) bequeathed to us as a legacy by capitalism. . . . On the one hand, the Party must avoid making any political concession to the members of the bourgeois stratum, and must ruthlessly suppress any leanings they may exhibit in the direction of the counter-revolution. On the other hand, it must no less ruthlessly wage war against the so-called radicalism (in fact, an ignorant form of self-conceit) of those who believe that the workers can overcome capitalism



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and the bourgeois system without learning from bourgeois experts, without making use of these experts, and without going to school with them for a considerable period."

This would be equally true of any other country, and the larger the number of trained experts available, the sooner would the revolution pass to its constructive work and the quicker and more efficient this work would be. On the other hand, because of the middle-class background and life of at least the higher technical experts under capitalism, there would be the constant danger of discontent, and possibly even sabotage, from them in the early and difficult period of the revolution. From the first, therefore, every effort would have to be made to train workers to take their places if necessary ; and the technical training of large numbers of workers would also be essential for the carrying out of the expanding programme of production and distribution. In this training, education in Marxism is necessarily included, because neither the workers nor the middle-class experts can really set about the job of socialist construction unless their ideas are turned from capitalist channels and into communist. In Germany this will be a comparatively easy task ; in Britain and the United States not quite so easy unless there is a far more widespread study of theoretical communism than there has been up to now. But on the technical side at least the fact that so many workers are already highly trained, that their general cultural level is already so high, will make it

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far easier than it was in Russia to develop the large number of technicians who will be required to re-organise and run industry.

In the early years after the Soviet revolution of November 1917 political opponents who thought themselves Marxists used to condemn the revolution on the ground that it could not succeed in a country where both industry and the workers were so backward. History has shown that the forces released by the revolution have already brought that backward industry and backward people up to a level which is challenging the supremacy of the most advanced capitalist countries. It is not an accident that the productive forces in the Soviet Union have been rising since 1928 by an average of 20 per cent each year, while in the capitalist world they have remained stationary or even fallen. It is not an accident that the total industrial output of the Soviet Union for 1932 was second only to that of the United States, and came above the industrial output of Germany and Britain. But the very fact of this immense growth of the productive forces in Russia, in spite of conditions which made it necessary to import essential needs and start whole new branches of industry, and in spite of the low level of labour and technical efficiency, does not only show the firmness of the economic basis of the new productive system. It shows also that in countries where this first and most difficult stage is not necessary, where the actual level of development, both material and human, is from the start far higher than it was in Russia, the upward bound of the productive forces

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will show itself within a very short time after the new system has been established. The relatively high development of the productive forces will be the basis for a gigantic advance which within a few years will take the new society far along the road to communism. Even in such a country as Britain it may be a long time before the "higher phase of Communist society" is reached—the phase when the productive forces, with a working day perhaps half the present, will yield enough to satisfy the needs of a society which will not be content with physical maintenance but will demand a cultural development at present not known in the world. But in all industrially developed countries the long years which were necessary to build up industry in backward Russia will have a counterpart at most of months, in the first brief period of disorganisation which must follow the breaking up of the existing system.

## CHAPTER X

### TOWARDS COMMUNIST DISTRIBUTION

NEW METHODS of organising production and distributing products came into use during the war in the chief belligerent countries. In Britain, for example, the Ministry of Munitions and other government departments built up a centralised organisation for obtaining certain raw materials and supplying them to factories ; and munitions and other products were taken over by the State at fixed prices. The main foods, too, were controlled and distributed on a rationed basis. The coal mines and railways were at least formally controlled by the State. All these measures were sometimes described as "war socialism," but they have nothing in common with socialism. They left completely unchanged the fundamental division of products between the owning class and the producing class. Each individual capitalist owner or owning group continued to own the means of production, to employ workers and take from them the surplus values they created over and above the value of the wages paid. This surplus value was still distributed among sections of the capitalist class in the form of profit, interest and rent, and a considerable portion, as always, was accumulated and

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converted into new capital. If profits were "limited," if some prices were fixed and some markets were restricted, these measures did not mean any change in the relations between the classes. In fact, the possessing class increased its share of the total product. The centralised control only expressed the need of the capitalist class as a whole—and even this means ultimately the need of its dominant section—to concentrate its strength for the struggle against the rival capitalist class of Germany. Nor did the rationing of certain foods bring about any change in class relations; it was merely a device to prevent serious trouble arising from the unequal distribution which would have resulted if the normal laws of capitalist exchange had been allowed to operate unchecked.

After the Russian revolution in November 1917 the largest enterprises were socialised as well as the banks and the railways. The first forms of production and distribution were gradually organised into what was later known as "war communism," which had a certain superficial similarity to the "war socialism" of the capitalist countries but was in fact essentially different in content. It was the organisation of production and distribution not for international war, but for civil war: for the purpose of breaking the resistance of the capitalist class and beginning the transition to communism. From the first, therefore, it marked a sharp break with the capitalist system, although it was only the first step towards communism. In every socialised factory there was one fundamental change: production was no longer determined by the state of the market—the iron laws of capitalist

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economics no longer held good. Wherever fuel and raw materials were available, production was continued. But it was not production for the market : it was production for use. Of course it was not planned production, in the sense of forming part of a comprehensive plan of production and distribution ; but in so far as the machinery of co-ordination was built up, the output of the nationalised factories was for specific use. The stocks of fuel, raw materials and food available from month to month were distributed to enable the factories to continue production ; all factories obtained their needs of materials and food from other socialised concerns, on the basis of an economic budget expressed in kind, in actual products instead of money. In the case of the smaller socialised concerns, which were controlled by the local Soviets, production was equally for use ; the products were transferred to other socialised concerns or were brought directly into consumption through the co-operatives which embraced the whole population of the towns.

If the motive force of capitalist production was abolished, and with it the market for those concerns which had been socialised, the distribution of the product was also determined by entirely new principles. The Soviet Constitution stated that labour was obligatory on all citizens of the Soviet Republic, and formally established the principle that " He that does not work, neither shall he eat." This principle was enforced in the distribution of all supplies which were in fact under Soviet control ; they were made available in the first place to workers, and capitalists,

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landlords and the middle class generally were only able to get supplies through the "free markets" where private trading, though nominally illegal, was in fact tolerated.

Planned distribution of food and other articles of consumption was naturally confined to the chief industrial centres. The whole population of each town was enrolled in a single consumers' co-operative society, which obtained its supplies partly from government sources and partly through the co-operative machinery. The actual distribution to consumers was made on a rationed basis, with cards. For the allocation of these cards the population was divided into categories, of which the four main ones were (1) children ; (2) factory workers ; (3) families of factory workers, and other workers and their families ; (4) persons " belonging to the former ruling class." At the end of 1918, categories (2), (3) and (4) were entitled to supplies in the proportion 4 : 3 : 1, and if the supplies were short, they were divided only among the workers. This general card system was supplemented by special cards for exceptional categories, entitling the holders to additional or special foods : such categories included workers on heavy manual labour or in trades dangerous to health ; nursing mothers ; families of Red Army soliders. Children received free food in the schools, besides free clothing and of course free school requisites. All workers received free working clothes.

The importance of this whole system of distribution was not that it was universal or that it was uniform—it could not be either in the conditions of civil

war, when whole regions of supply were repeatedly being cut off by invading armies. But it was an absolute break with the past division of the social product ; it was a first attempt at a division on the basis of social needs. And this new basis showed itself also in the sudden growth of social services hitherto unknown in Russia ; in the provision of free housing, and the rationing of the available housing ; in travel and entertainment facilities for workers with trade union cards ; in the institution of regular holidays for the workers, convalescent homes and other advantages which marked a sharp break with the past.

The period of war communism was therefore a very real first stage on the way to communism. In all large-scale industry and transport, and by the end of the period also a considerable part of small-scale industry, production was no longer for profit nor for the market, but for direct use, whether as raw material or finished product. The distribution to consumers was based on the needs of society—not an abstract society, but one just emerging from capitalism and engaged in heavy civil war.

The system of production and distribution for social needs was gradually extended in a double process : the continuous socialisation of new factories, and the consolidation and better organisation of those already socialised. But the process was taking place in conditions of civil war ; and moreover the industrial areas, the areas of socialised production and distribution, were surrounded by vast areas of peasant agriculture. Even in these areas, however,



the revolution had brought tremendous changes in the division of the product. The land had been declared national property, and large numbers of the former landless peasants as well as the "poor" peasants whose holdings were too small to support them, had obtained land through dividing up the former Crown lands and in some cases the large farms which were scattered through the country. Therefore, although the peasant form of agriculture remained unchanged, there was a general levelling up of conditions for the poorer peasants at the expense of the former landlords and in some cases the richer kulaks. Even in the early stages experiments were made with Soviet farms and agricultural communes ; but these were on a very small scale. The great bulk of agricultural production continued in the hands of the peasants, and the problem of obtaining their surplus production for the town population was a very serious one. The State's requirements of agricultural products for the army and the industrial workers, also the collection of agricultural raw materials for industry, were therefore secured by making trade in the chief products a State monopoly, and the fixing of quotas to be provided by each district and village. All surplus above the needs for immediate consumption and seed was confiscated, and although the co-operatives were fairly widespread and were a useful channel for collection, as time went on and difficulties increased most of the collection of grain had to be specially organised by the Commissariat for Food. The general dislocation of transport and the actual dislocation resulting from

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the civil war led to acute shortage in the towns and rising prices on the free markets ; while the peasants tended more and more to hide their grain from the official collectors, or even resist them by force, and sell the grain and other produce to speculators for re-sale on the free markets. It became increasingly necessary therefore to use military detachments to collect the levies, and conflicts increased, not only with the kulaks but with the middle peasantry.

This system of war communism was maintained until the final defeat of the counter-revolutionary armies in 1920. But by this time the effects of the civil war had completely disorganised production ; the exchange of products of factories controlled by the Supreme Economic Council was becoming more and more difficult owing to the shortage of raw materials and fuel and food. Factories were being forced out of the programme : when fuel did not come, they had to make their own arrangements to get it ; when food did not come, they had to try to get it by barter. But in spite of all they could do, production fell continuously during the civil war, and the raising of the level of production was necessarily the main task of the following period. In 1921, therefore, the New Economic Policy took the place of war communism.

In the foreign Press of those days NEP was described as a return to capitalism. It is true that over a certain section of trade and industry the profits motive was reintroduced—or rather, given legal recognition, for in fact the free market had existed all the time side by side with communist production

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and distribution. But certainly the legal recognition of it under NEP gave it a new lease of life and led to its wide extension. The degree of importance that this had for the whole transition towards communism can only be understood, however, from the contrast between the rapidly expanding sphere of communist production and the relatively, and later absolutely, declining sphere of production for profit.

The first feature of NEP was the restriction of the area of control of the Supreme Economic Council. The smaller concerns were taken from it, both to relieve its overloaded administrative apparatus and to enable it to concentrate its very inadequate supplies of fuel, raw materials and skilled labour on the largest and best equipped undertakings. The system on which these larger undertakings worked remained in essence what it had been in the earlier period : they produced with fuel and raw materials mainly secured through other nationalised factories and government departments, and their products were passed on to other sections of nationalised industry and trade. It is true that under NEP there was accounting in money instead of accounting or rather budgeting in kind ; but in most cases the transfer prices were fixed by the Supreme Economic Council, and in spite of the money form of accounting the products were not made as commodities for sale on the open market. The system within State industry was rather similar to the accounting between sections of a large capitalist trust, in which the transfer prices, and therefore the profit or loss, are more or less arbitrarily fixed. With the subsequent development

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of NEP and the extension of centralised control over sections of industry and trade which had hitherto been in the hands of individuals and groups, considerably greater freedom grew up in the transfer or sale of products between socialised undertakings ; but parallel with this development there was also the squeezing out of those individuals or groups, so that in fact the sphere in which production for profit, or for a market in which private traders took their profit, was steadily diminishing in proportion to the sphere in which sale, even though expressed in money, was in essence a transfer in kind between socialised undertakings.

But NEP also threw open to private capitalists and groups, including foreign companies, the possibility of making profits with hired labour, by taking on lease the smaller undertakings or even opening up new enterprises on the basis of special concession agreements. In fact, this possibility was not used to any great extent. Even in these undertakings the principles of production for profit were severely restricted. Compulsory wage scales and labour protection laws set a limit to the capitalist economic laws governing the price paid for labour-power ; the terms of concessions generally provided for the transfer to the State of a certain proportion of output in kind—that is to say, this portion was not for sale on the market, but entered into State use although produced in a private undertaking ; it was only the portion of the output which the concessionaire was allowed to export on which profits could be realised. In small local undertakings, however,

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the lease rent was usually payable in money, and the products were for sale on the Russian market. At first some profits were made on such private capitalist production ; but it was not very long before trade union and labour protection regulations on the one hand, and competition from better equipped socialised concerns on the other, squeezed these private producers out of business.

The sphere in which NEP introduced a change of real importance was not productive industry but trade. It was in this sphere that war communism had particularly failed. The centralised machine had been unable to function in securing raw materials and food produced by peasant agriculture : the lure of higher prices on the free market had left the State machine high and dry. By giving free play to the peasants in their dealings with traders, and limiting the State demands to the " single agricultural tax "—a graded tax far lighter in its incidence than the rent and taxes of Tsarist times—NEP secured some grain directly and some through private traders for the towns. This arrangement was willingly accepted by the peasants, who were able to sell their grain and other produce to the highest bidder without any interference from the State. On the other hand, the buyers who had hitherto bought secretly, in small quantities, for sale on the illegal free markets of the towns, now came out into the light of day as big merchants, rapidly widening their operations and making enormous profits. Thus arose the " Nepmen "—fantastic figures accumulating vast paper fortunes, living riotously in the midst of a poverty-stricken

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people, and, superficially, appearing to engulf in their profit-making activities the foundations of the new system. But only superficially, and for a short period.

Even in 1923, when production was definitely rising and the Nepmen were in full activity, only 18 per cent of the wholesale trade was in their hands ; 82 per cent was in the hands of the State organisations and co-operatives. In the retail trade in the towns, however, the position was reversed : 65 per cent was in private hands, and only 35 per cent was carried out by State and co-operative stores. But from the moment when the output of socialised industry began to rise steadily the Nepman was fighting a losing battle even in his retail trade. Simultaneously with the rise in output, and because of it, the co-operatives and State buying organisations were able to increase their purchases from the peasants by what was in effect barter—the sale of industrial products which the Nepmen were unable to offer in exchange for grain. Even in the towns, the co-operatives, being able to offer more, were able to sell more, thus increasing their proportion of the total turnover. Year by year the co-operative organisation was strengthened ; it was extended in the villages as well as in the towns and into many fields of peasant and petty production as well as collection and distribution.

And meanwhile, what was happening to the Nepman ? Taxation was crushing him more and more, and his profits and sphere of activity were being increasingly restricted by the growth of the co-operative organisation. And above all, he could not use his

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accumulated profits as industrial capital : all large-scale industry and transport had been socialised, foreign trade was a State monopoly, closely controlled, and he could not buy new means of production, for what was made in Russia or imported from abroad was not sold but used in extending State industry. Even organised credit was a State monopoly. It was almost useless, therefore, for the Nepman to accumulate ; whatever his paper fortune, he could win no permanent basis for growth as a capitalist, and in due course, having served his purpose, he was smothered by the sturdy growth of State and co-operative industry and trade. By 1927 98 per cent of the wholesale and 75 per cent of the retail trade was in the hands of State and co-operative concerns.

To the Nepman, and also to the peasant, the period of the New Economic Policy meant a real change from war communism. But to the socialised system of production—as far as this had really been consolidated—it meant no fundamental change. To the industrial workers its chief effect was that large numbers ceased to be employed through the closing down of the smaller enterprises ; this meant that they ceased to be provided for in the State industrial budget. For the next few years unemployment was on the increase, in spite of the fact that industry was expanding and larger numbers of workers were finding employment each year. This was because of a constant influx from the villages to the industrial centres—an influx of unskilled labour which was only gradually absorbed in industry. For the workers who remained employed in the enterprises controlled by

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the Supreme Economic Council, NEP meant little material change at first, but very soon the increasing output provided the basis for a general rise in wages and in the amounts allocated to social insurance funds.

From the standpoint of the transition towards communism, therefore, the period of the New Economic Policy was not a period of retrogression. The chief means of production were retained in the hands of the State, and their products, forming a steadily increasing proportion of the total of production, were more and more used as the basis for an extension of the State and co-operative trading organisations. The main mass of the town workers secured a steadily rising standard of living, and the number getting this standard was also steadily increasing. On the other hand, one section of the capitalist class—not the large industrial capitalists, nor the financial capitalists, but a section which even in capitalist society occupies a subordinate and dependent position, namely, the merchants and retail traders—was officially admitted to a share in the total product of industry, and in fact secured a share which was infinitesimal in proportion to the share of the working class as a whole but was very large in comparison with the share of individual workers. Apart from the merchants and traders, there was one huge section of the population to which the New Economic Policy brought an immediate improvement of conditions : the peasantry. Except for the single agricultural tax they had the right to “the full product of their labour.” To the peasants with



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relatively large holdings, this meant the right to sell their surplus to merchants and traders, or to the State and co-operative organisations, at the best price they could get : in any case, far above the fixed prices paid for supplies under war communism. To the peasants with smaller holdings the new policy meant very little change at first, as they were producing for themselves and not for the market ; but within a short time their position improved through the increase of industrial production and the credits and other material help given by the State and co-operative organisations.

The advance towards communism was maintained through the widening of the "socialised sector" in actual products and in trade, depending on the expansion of output. And in fact production rose rapidly after 1923 ; so rapidly that 1927, when output reached the pre-war level, marked the decisive victory of the socialist over the capitalist elements in society. By this time no further considerable increase of output was possible without new means of production on a large scale, and this involved the need for a plan on a far more comprehensive scale than the plans for State industry alone. By this time, too, the technical possibility of a plan had been created ; and in the autumn of 1928 the period of planned economy opened with the bringing into operation of the first Five Year Plan.

The chief characteristic of the period up to the completion of the first plan at the end of 1932 was the enormous and unprecedented growth of the productive forces. But along with this increase and the

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consequent increase in output, the working out of the plan brought immense social changes, taking the Soviet Union a further stage along the road to communism. That the Nepman disappeared, continuing to exist only in the form of the small shopkeeper more and more forced into back streets, was of little importance : this was merely the carrying on of the tendency which had already shown itself in the later years of NEP. What was of tremendous significance was that by the second year of the Five Year Plan unemployment as a general phenomenon had disappeared : all available workers had been drawn into industry, and from then on the chief problem was the shortage of skilled labour, and to some extent even of unskilled labour.

Even this was not all. Up to the beginning of the Five Year Plan the general position of the peasantry had remained almost unchanged. Large numbers of the landless peasants had received land, and there had been a general scaling up of the size of the smaller holdings at the expense of the larger. But the peasant, small or large, remained a peasant, an individual producer, outside the social system which was being built up in the towns, and only touching it through the sale of his products in exchange for industrial products. It is true that large numbers of peasants had already, by 1928, been brought into the network of co-operative organisations, chiefly for the joint sale of products and joint purchase of necessities. But except in a few cases, chiefly in the working up of dairy products, the peasant was not yet even a co-operator in production ; he was completely

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outside the new system of production, not because he was a capitalist exploiting labour, but because he belonged to a pre-capitalist period, as his primitive methods of cultivation showed.

It was impossible for the new society to make much progress along the road to communism if the peasant remained outside it. It was impossible for two reasons : no planned economy could be built up without an organised agriculture, and also the level of industrial production could not rise much further unless the level of agricultural production was also raised. From both standpoints, therefore, it was essential to organise the individual peasant farms into great collective farms and modernise the methods of production. The farmers of the first Five Year Plan knew the difficulties ; they estimated that by the autumn of 1933 twenty per cent of the peasant farms would be incorporated in collectives. But human effort, the propaganda carried to the surrounding villages by tractor stations and successful collectives, and the tremendous enthusiasm generated by the Five Year Plan, broke through all difficulties, and by the end of 1932 over sixty per cent of the peasant farms were in collectives.

But this victory was not won without losses. The peasants with larger holdings, the kulaks and some of the " middle " peasants, steeped in the traditional individualism of the Tsarist peasant, fought vigorously against their submergence by the mass of " small " peasants, to whom the greater productivity and sharing out on the basis of labour done brought immediate economic advantages. The

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kulaks fought by selling or destroying everything they could before they entered the collectives, and where they entered the collectives they continued the fight with sabotage, concealment of stocks and disorganising the sowing and other work of the farms. The net result of the change to the new system in agriculture up to the end of 1932 was therefore not very considerable from the standpoint of total production, and the continued increase of the industrial population involved very serious food difficulties through the years 1931 and 1932. But a solid basis had been laid for further advance in the output of agriculture, and with the harvest of 1933 the losses have been made good and progress on a higher technical basis is assured.

From the standpoint of how the total production of the Soviet Union was divided the first Five Year Plan marked yet another definite step forward towards communism. The Nepman and his absorption of a grossly exaggerated share in total production were things of the past ; the kulak's greater share, so far at least as the main agricultural areas were concerned, had disappeared in the collective farms ; and the other side of the picture, the inadequate share of the unemployed, was now no longer to be found for any individual who was willing to work. The general levelling out of conditions as between the different sections of society was therefore carried a stage further, though it was still far from complete.

At this point, however, there emerged a question of great practical importance and theoretical interest : the question of unequal conditions between

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individuals working within the socialised sector of the Soviet Union's industry and trade. It was clear enough that the basis on which the Nepman lived must be abolished, and with it, the Nepman himself and his excessive share in the country's products. It was also clear enough that the basis on which the kulak lived must be abolished, and with it the kulak's excessive individual share. But in so far as the survivals of feudal and capitalist methods of production and exchange were abolished, and with them the class inequalities to which they gave rise, the question of the equal rights of individuals was inevitably raised.

From the end of the period of war communism, with its rough-and-ready division of the products among the people on the basis of the social importance of different sections, the wages drawn by workers had been unequal as between different industries and different trades within each industry. The trade union agreements made at the beginning of the NEP period provided as a rule for ten or more categories, ranging from unskilled labour to the managers of large undertakings. As each industry developed and established a surplus, this surplus was partly used to raise the wages of the lower-paid categories, and partly, through the State financial machine, to subsidise other industries and enable them to raise wages. The main tendency of the wages movement during the NEP period was therefore to raise the lower paid nearer to the level of the higher paid, and thus gradually to break down the inequality between different groups of workers.

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But parallel with this there was also another tendency : to use higher individual and group earnings as an incentive to better training and greater efficiency in production and management. This tendency developed particularly in the period of the Five Year Plan, but it met with considerable opposition among the theoretical equalitarians, and the Communist Party had to make a public declaration for or against equalitarianism, for or against unequal payments for different grades of work and efficiency. This declaration was made in June 1931 by Stalin, who, addressing an industrial conference, definitely opposed the arguments of the equalitarians :

“ It cannot be tolerated that a locomotive driver on a railway should earn only as much as a copying clerk. It cannot be tolerated that a highly skilled worker in a steel mill should earn no more than a sweeper.”

The maintenance and even conscious creation of differences in the shares drawn by different groups of workers seems at first sight to be a check in the progress towards communism. But it seems so only to those who think of communism as a society in which all men are identical in every respect. In *Anti-Dühring* Engels traces the growth of the idea of equality in society, pointing out that this idea

“ both in its bourgeois and in its proletarian form, is itself a historical product, the creation of which required definite historical conditions which in

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turn themselves presuppose a long previous historical development.”

The bourgeois idea of equality was the expression of the demand for the abolition of the feudal inequalities and privileges which stood in the way of the development of capitalism : its content was political equality, equality of rights as between members of the possessing class, as between capitalist traders and manufacturers. On the other hand, the proletarian idea of equality expresses its demand for the abolition of class inequalities, the demand that :

“ Equality must not be merely apparent, must not apply merely to the sphere of the State, but must also be real, must be extended to the social and economic sphere. . . . The real content of the proletarian demand for equality is the demand for the abolition of classes. Any demand for equality which goes beyond that of necessity passes into absurdity.”

Why is it an absurdity ? In *The Critique of the Gotha Programme*, Marx shows that an equal division of the total product among all workers itself contradicts the idea of equality, because :

“ One man will excel another physically or intellectually and so contributes in the same time more labour, or can labour for a longer time. . . . Further, one worker is married, another single, one has more children than another, and so on.

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Given an equal capacity for labour and thence an equal share in the funds for social consumption, the one will in practice receive more than the other, the one will be richer than the other, and so on."

Equality is not an idea which can be correctly applied to individuals in a classless society, but is only appropriate to a class society in so far as it is an incentive to the abolition of class inequalities. The basis for the division of the social product under communism is not equality, but "to each according to his needs." This is why, in the earlier stages of the revolution in Russia, the idea of equality was appropriate for the purpose of breaking down class differences, *as a lever towards the classless society*; while in the later stages, when these class differences have been broken down and their traces are disappearing, the idea of inequality is appropriate *as a lever towards lifting production*. For the higher phase of communist society, the phase in which the principle in the division of the social product will be "to each according to his needs," can only come

"when, along with the all-round development of individuals, the productive forces too have grown, and all the springs of social wealth are flowing more freely."

The first Five Year Plan was in operation at a period in the transition when the idea of equality was still necessary to break down the class divisions



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in the countryside—in the struggle against the kulaks and for collective agriculture. But in town industry the class divisions had been virtually abolished, and the immediate task was to increase the productive forces. While as yet the level of production is not high enough to give “to each according to his needs,” inequality is a lever, an incentive to raise production, and is therefore necessary in order to maintain the rapid growth of the productive forces which alone makes possible the “higher phase of communist society.”

The second Five Year Plan, operating from 1933, is intended to complete the abolition of class divisions, both in the towns and in the country, and, on the basis of the continued growth of the productive forces, to raise the standard of living of the whole people to at least double the present standard. In this period the principle of differentiation of wages—inequality in the share of the social product—will continue to apply. At the same time, the plan provides for a tremendous development of the social services and cultural institutions, together with the extension of the educational network and the continuous improvement of the educational system itself, particularly aimed at breaking down the distinction between manual and mental labour, and in effect making every worker a technical worker. There is consequently taking place a triple process : the obliteration of class divisions, and increasing *equality* between classes, which will continue until the classless society is reached ; secondly, increasing production, with differentiation among the workers

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in socialised industry, establishing *inequality* in relation to work done, and unequal shares in the product according to degree of skill and efficiency ; thirdly, the raising of the qualifications of labour, the obliteration of the antagonism between mental and physical labour, the all-round development of every individual worker. The completion of this last process will remove all justification for the ideas both of equality and of inequality in the economic sphere ; there will be "equal rights" to unequal shares, but the inequality of the shares will be determined only by the inequality of the needs of individuals of an equally high all-round development, each contributing to the social product according to his ability.

If this to-day seems a far-off, utopian ideal ; if the actual principles of production and distribution in the Soviet Union since 1917 seem to many to conflict with the fundamental principles which they attribute to communism ; if the transition in the Soviet Union has seemed to be full of injustices, weaknesses and changes—then this is only because such critics are still encumbered with the ideas of primitive utopian socialism, before Marx made socialism into a science. To the scientific socialist society is not static, but always developing ; at certain points a sharp break with the past creates a new change of direction, but a long process of development in this new direction is essential before all the fetters of the past can be shaken off. In *The Critique of the Gotha Programme* Marx referred to the first stages after the revolution :

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“What we are dealing with here is not a communist society which has *developed* on its own foundations, but, on the contrary, one which is just *emerging* from capitalist society, and which therefore in all respects—economic, moral and intellectual—still bears the birthmarks of the old society from whose womb it sprung. . . . Justice can never rise superior to the economic conditions of society and the cultural development conditioned by them.”

If the experience of the Soviet Union in its transition towards communism is seen in relation to “the old society from whose womb it sprung,” in relation to the economic, moral and intellectual backwardness of Tsarist Russia, the immense vitality of the forces liberated by the revolution will be understood. And while the experience of the Soviet Union is a new warning that communism cannot be introduced overnight, but can only be reached after a transition period full of “shortcomings” and “injustices,” it is at the same time an irrefutable confirmation of Marx’s conclusions. Through all the difficulties and apparent compromises and deviations from the direct line to communism, the new economic system is successfully emerging and the new society based on the new economic system is being shaped. And in the process men are also learning that the great principles which at certain times in history have a positive function to fulfil in helping forward the development of society are themselves the product of their epoch and become reactionary when that function has been fulfilled.

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At the same time, the stage which will have been reached in the Soviet Union twenty years after the revolution will not be complete communism. The new economic system will cover the whole of production and distribution—the division of society into classes will have been completely abolished. Every adult individual will be working for society as a whole, as one unit in a general plan of production and distribution. The distribution to individuals, however, will be only partly on the basis of needs, through an immense development of social services. In the main, the distribution of the social product among individuals will be on the basis of work done, and skilled and technical work will be paid at a higher rate than relatively unskilled labour. Society will have reached the stage of socialism but not of communism. This later stage, “the higher phase of communist society,” will solve the problem of unequal distribution by the completion of a double process : the raising of the level of production until there is no limit to consumption for anyone, and therefore no need for unequal distribution ; and on the other hand, the wiping out of caste and craft divisions of labour by the development of all-round capacities, mental and physical, in every individual, and therefore removing the basis for any inequality of distribution.

Technically advanced countries will not be able to escape the transition : in each country there will have to be a long process of change, during which a vigorous struggle, both economic and political, will have to be carried on, not only to fight armed

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resistance and sabotage, but to raise the level of organisation and production and above all of technical and cultural development. In the first phases of acute struggle and disorganisation, there will have to be the crude levelling process of "war communism"—rigid control of stocks and products, and rigid distribution of available supplies to meet the needs not of individuals as such but of a working class carrying on active war against a dispossessed capitalist class. But if the conclusions reached in previous chapters are justified, if the period of armed struggle in future revolutions will necessarily be short and decisive, then this first phase need last only as many months as it did years in Russia. And from this follows another conclusion : that the period of acute economic difficulties arising from the ravages of a prolonged civil war may be almost entirely avoided. And if prolonged civil war and the economic destruction which it brings can be avoided, then the transition itself will be enormously accelerated, and the stage of planned economy can be reached not eleven years but perhaps two years after the transfer of power to the working class. The economic and technical conditions for this rapid transition exist in such developed countries as Britain, Germany and the United States, while the "moral and intellectual" factors not only start at a far higher level than those of Tsarist Russia, but have been already profoundly modified both by the depth of the crisis in capitalist society and by the widespread awareness, however dim and only half-conscious, of the new social system in the Soviet Union.

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It would be a baseless illusion, however, to imagine that in any country the transition can be easy and free from struggle. If the armed conflict ends with the defeat of the capitalist class forces, only this form of the class conflict is ended. The economic and social privileges, the social attitude and prejudices of a far wider section than the dominant section of the capitalist class—the smaller capitalists, industrial and trading, the farmer, the middle class in all its various forms and degrees—must necessarily be broken down in a long process of conflict with the working class engaged in building up socialism, in destroying class divisions. But to the extent that numbers of this intermediate section identify themselves with the aim of the working class, and from the first consciously play their part in overcoming difficulties and helping to build up the new social system, to that extent the inevitable conflicts will be minimised and the transition itself will be shortened.

## CHAPTER XI

### THE CULTURAL REVOLUTION

THE ABOLITION of class divisions itself sweeps into the dustbin of history the great mass of ideas which in capitalist society have dominated the cultural life of mankind. The division of society into economic classes has at all times been the basis for a similar division into cultural classes—a division which reaches its highest point in capitalist society. It is idle to point to universal education in the most advanced industrial countries, to the scholarships to secondary schools and the universities, just as it is idle to point to the cinemas and the picture galleries, the theatres and the concerts, the libraries and the playing fields, which are “open to all.” In capitalist society nothing can bridge the gulf between the rich and the poor in all cultural spheres. This gulf is there from birth, and is widened with every year that passes.

In communist society there will be no such gulf dividing society. The abolition of the economic class divisions brings with it a real equality of opportunity. This is the first mark of the cultural revolution : that it gives to the whole people the possibilities of cultural development which in capitalist society have been restricted to a small class. But, like every other

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feature of communist society, this can only be fully realised after a long process, the length of which is throughout conditioned by the economic development of the particular country. In the sphere of education, for example, in the Tsarist Russia of 1913 only seven million, or about one quarter of the total number of children, were receiving any form of education in the elementary schools; there were 560,000 students in secondary schools and 110,000 in higher educational institutions. The breaking down of class divisions in educational opportunities, the extension of the network of schools to meet all needs, required vast resources, material and human, which in the early stages of the revolution were simply not available. The first Soviet decree on education, published only four days after the revolution, laid down the aim of Soviet educational policy :

“to introduce universal, obligatory and free tuition for all, and establish at the same time a series of such teachers’ institutes and seminaries as will in the shortest time furnish a powerful army of people’s teachers so necessary for the universal instruction of the population of our boundless Russia.”

And from the first, in spite of all the difficulties, serious steps were taken to put this policy into effect. But in the early years the most that could be done was to extend the educational system in the towns, and even there the lack of physical requisites alone—books, paper and pens—made progress difficult.



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It was not until after 1923 that any great step forward was made ; but by 1931 the number of children attending kindergartens and crèches (which in Tsarist days were practically non-existent) had risen to 620,000 ; the children attending elementary schools to 17,342,000 ; those attending " middle " schools to 1,980,000 ; while the students at higher educational institutions numbered 357,000. In addition, there were 231,000 in the workers' faculties (preparatory to university studies), and 1,198,000 in the factory training schools, with 609,000 in technical schools. Even this gigantic increase was far from fulfilling the ultimate educational aim ; in the countryside there were still areas without schools or without any of the higher educational institutions, and it will not be until the end of the second Five Year Plan in 1937 that the material possibilities of an all-round education will be available to every child in the Soviet Union.

It would be a great mistake to think that then the Soviet Union will only have reached the stage of universal elementary education which in Britain was reached long ago. The completion of the network of elementary and middle schools (middle as between elementary and higher) will, it is true, merely bring the system to the completeness of the British school system. But while this network of schools was being built up, particularly in the countryside in areas where schools were unknown, in the industrial areas new forms of school were developing—forms unknown in Britain except on a tiny scale. And these new forms—from the crèche

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to the factory training schools and the workers' faculties—were forms which could only be developed by the revolution.

It is, however, in the nature of the schools rather than their number that the chief difference lies. The preparatory institutions—crèches and kindergartens—which bring the children up to the age of seven, are of great importance from the standpoint of freeing the mothers, but are of equal importance in giving the children themselves the ideas of associated work and play, breaking down differences of social origin and breaking down the bad effects of isolated and often unsatisfactory homes. Attendance at these institutions is voluntary ; but from the age of seven there is compulsory (and of course free) education in the “ unified labour schools ” until the age of sixteen. The Eighth Congress of the Communist Party of Russia in March 1919, laid down as one of the Party's aims in education :

“ The complete realisation of the principles of the unified labour school, with instruction in the native tongue, co-education, absolutely secular instruction, an instruction in which theory shall be closely linked with socially productive labour, an instruction which will bring about a many-sided development of the members of communist society.”

The purpose of the combination of theory with productive labour—a combination which is gradually being introduced all through the educational

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system—is primarily intended to break down the existing division between mental and physical labour, and also to make labour a habit. In *The Critique of the Gotha Programme* the passage dealing with the “higher phase” of communist society, a part of which has already been quoted, contains the following :

“When the enslaving subordination of individuals in the division of labour has disappeared, and with it also the antagonism between mental and physical labour ; when labour has become not only a means of living, but itself the first necessity of life ; when, along with the all-round development of individuals, the productive forces too have grown. . . .”

In *Anti-Dühring* Engels ridicules the conception that in a completely communist society there will still be porters and architects, professional writers and barristers. The division of labour in the factory under capitalism has its counterpart in the division of labour on a class basis, and specialisation of function which is a barrier to individual development both for the workers and for the capitalists and middle class :

“Not only the labourers, but also the classes directly or indirectly exploiting the labourers are made subject, through the division of labour, to the tool of their function; the empty-minded bourgeois to his own capital and his own thirst for

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profits ; the lawyer to his fossilised legal conceptions, which dominate him as a power independent of himself ; the " educated classes " in general to their manifold local limitations and one-sidedness, to their own physical and mental shortsightedness, to their stunted specialised education and the fact that they are chained for life to this specialised activity itself—even when this specialised activity is merely to do nothing."

The function of the unified labour school is to do away with this kind of specialisation by any section of the people ; to make certain that every child develops an all-round capacity for manual and mental work, and does not regard one as higher than the other, or one trade as higher than another. This does not mean that there is no specialisation. There is a great extension of specialised vocational institutions, specialised research and specialised training. But each form of specialisation is brought into close touch with actual production and manual work, so that the specialised training itself is the basis for the widening of functions, the subordination of function to social production and a social outlook. The difference in outlook is expressed also in the raising of the general conditions of labour. A Soviet film director who visited London was horrified at the condition and equipment of cutting-rooms in film offices here ; and he linked this up with the fact that the Soviet film director does his own cutting—whence, in turn, the developments of technique. In a Moscow tram depot the library, restaurant, rest-room and washing

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arrangements are in common for all grades, and for example the shower baths used by the whole staff on completion of their duties, when they change from working clothes into their ordinary clothes, are as fine as can be found attached to any sports ground for the rich in Britain. This conception of the equality of labour, of the dignity of labour, runs through the educational system and is continued in working life. Alongside of this there is also complete choice of specialisation for the individual child ; no financial or social barriers stop the development of any special talent. And with the breaking down of labour castes and the opening of opportunities to special talent there are also the widest opportunities, both in the educational institutions and in the factories, for cultural development in every direction—sport, art, drama, literature, music, science—so that vast numbers of workers are being drawn into active self-expression, into the all-round development of their bodies and minds, such as in Britain is only possible for the children of the rich.

The combination of theory with practice, of learning with productive work, is not yet in fact universal. For many of the schools, especially those in country areas, it is not possible and will not be possible until the old villages have given place to agro-industrial combines, mixed agricultural and industrial units covering a large part of the needs of the people in a wide area. But in the towns, where conditions are favourable, the principles of polytechnical education are actually applied. Practical work takes up approximately one-third of school time ; it is carried

out in school work-rooms up to the age of twelve, and after that age at an adjoining factory. The instructors are workmen from the factory. Similar arrangements are in force in the higher schools and universities. In the training in practical work the aim is not only vocational, to train the pupils and students to work in a particular industry, but is educational in the widest sense—to give the pupil the habit of working as well as thinking, and continuously changing from one to the other so that the distinction between mental and physical labour as a caste division no longer exists for the child when it enters productive work.

The suggestion that communism means the suppression of individuality, the formation of one single narrow type, is therefore directly opposed not only to the theory of communism but to the actual tendencies already showing themselves in the Soviet Union from an early stage in the transition. The “individuality” which is broken down by communism is the spurious individuality of narrow social and functional castes, with all the philistinism of these castes : their dress, their talk, their manners and mode of life, their poverty of understanding and fossilised ideas masquerading as culture. The individuality which is developed by communism is social individuality, active self-expression freed from class restrictions and caste inhibitions, physical and intellectual development as a member of society organised to give to all its members everything that man’s long struggle with Nature has now placed within their reach.

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But progress towards this goal necessarily involves a long process not only of organisation but of conflict with all the established cultural traditions of capitalist society. The revolution did not in the Soviet Union, and could not anywhere, immediately abolish class divisions and functional inequalities ; nor could it change in a month or in a year the outlook of the teaching staffs, who alone could carry through the new educational programme. Nor was it even a simple matter to ensure that the most able young workers and peasants were brought forward to the higher educational institutions. Even in 1927 one-half of the students in the higher schools were still of non-working class origin ; but steady progress was made under the first Five Year Plan, students of worker and peasant origin forming 77 per cent of the total in 1931. Some conception of the immensity of the task of training teaching staffs for the whole educational system can be gained from an item in the second Five Year Plan : the enrolment of five million educational and cultural workers.

In the transition period the educational system is one of the most powerful levers for the overthrow of the traditional ideas of capitalist society. The unified labour school provides as it were the material basis ; but the nature of the instruction, the text books, and the social attitude encouraged in the school, are the decisive factors. The Russian Communist Party's programme of 1919 laid down as the aim :

“ the transformation of the school so that from being an organ for maintaining the class dominion

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of the bourgeoisie, it shall become an organ for the complete abolition of the division of society into classes, an organ for the communist regeneration of society."

In other words, it was necessary for all educational institutions to teach communism, the principles of the new organisation of production and distribution, the principles of the new social system and the general ideology of communism as opposed to capitalist ideology. It was necessary to train teaching staffs who had this fundamentally changed outlook, and to remove teachers who could not or would not impart it to the children under their care. It was necessary to re-write practically every text book. And if at first it was impossible to carry through the change from top to bottom, as time went on, as the economic difficulties were gradually overcome, as new staffs were trained, the fight against the old ideas had to be extended and deepened, in order "to educate a new generation capable of establishing communism." Capable teachers, venerable professors with a world-wide reputation had to be removed from their posts (not prevented from continuing their independent studies and researches) because they were *holding back* this development of a generation capable of establishing communism. Just as the principle "to each according to his needs" can only be applied in the final phase of communist society, and just as the ideas of equality and inequality are no longer applicable at that stage, so also in the sphere of education the demand for



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"unbiased" education, education in which there is no element of class purpose, expresses *either* the concealment of capitalist purpose *or* the working class fight against this capitalist purpose, the demand for a working class education. Until the complete abolition of classes and of all the ideas and traditions which arose in a society divided into classes, the educational system is necessarily an instrument of the class which controls it : of the ruling class in capitalist society, which uses it to impress its ideas on the working class and to train its own sons and daughters to be the ruling class ; and after the revolution, of the working class, which uses it to suppress the ideas of the former ruling class and to impress its ideas on the whole of society. When classes in society have been abolished, the whole idea of biased and unbiased education will have no meaning.

It is the same in every other department of cultural life. During the transition period the institutions of sport, art, music, drama, the cinema, have the conscious aim of rooting out old conceptions and establishing new ideas ; they cannot admit the principle of "art for art's sake." They must be progressive, purposive, and their purpose is necessarily to destroy the former ideology of class society and to help forward the spreading of the new ideas—and not only of the new ideas, but of the actual organisation of society, the physical building up of socialism. All cultural institutions, all forms of art, become "active creators of the new life." In this they are no more partial or one-sided than the forms of art in past society : the difference is only that they are

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conscious of their aim, their function in the transition to a new social order, while the artistic forms of capitalist society are for the most part unconscious, shrouded in the illusion of "art for art's sake," of standing above class divisions, but in reality either buttressing the existing order or fighting for the new.

And because of the new functions of art in the period of transition to communism, the methods and forms are essentially new. In an address to the London Workers' Film Society, Turin, the director of the film *Turksib*, said :

"We believe that the basis of a work of art should be the social and economic forces, and not the personal adventures of any individual. . . . The tremendous process of regeneration now taking place in Russia is a colossal historical event such as mankind has not before experienced. It is impossible to portray this event in films constructed on the old methods."

It is this that gives the most characteristic Soviet films their peculiar force and their practical aim in the transition period. And the other aspect is the censorship, the insistence on a definite social content, until the stage is reached when this will be no longer necessary, when both film directors and audiences will have passed beyond the lurking ideas and traditions of class society.

It is the same with drama. The intrigue has given place, in the most characteristic new plays, to the play of social forces, and with the new subject new forms have appeared—particularly the mass drama,

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the "spectacle" of immense social changes. The change in content and form is also accompanied by a revolutionary change in distribution : in the Soviet Union in 1931 there were 10,000 "Blue Blouse" groups, with over 100,000 members, giving dramatic performances in the factories and villages. This widespread distribution is characteristic of all forms of culture—even such an elementary form as the reading of newspapers. The circulation of daily papers in the Soviet Union has risen to thirty-eight million—more than twelve times the circulation of the Press of Tsarist days. Immense numbers of periodicals, pamphlets and books are produced and sold in editions which would make foreign publishers gasp. The network of cinemas is steadily extending all over the country, and is supplemented by travelling shows and factory cinemas. Art, music and other "circles" exist in every factory and institution ; sport, formerly almost unknown in Russia outside of the ruling class, is now attracting huge numbers of workers. And just as in sport huge masses of workers are now drawn into activity and are not merely spectators of games which are beyond their opportunities, so in these "circles" at the factories the workers are actively developing their talent, and workers at the factories and on the farms are developing their literary talent as worker correspondents of the Press and as writers and editors for the factory papers.

In Britain the material basis for the cultural revolution already exists to a considerably greater extent than it did in Russia in 1917. The extension of the schools, particularly in the direction of technical

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schools, will present little difficulty. But the unification of the schools, the complete abolition of the variety of private, religious and "public" caste schools, will certainly present considerable difficulties and will meet with considerable resistance. Nevertheless, the existence of class, caste and religious schools could not be allowed even for a short period ; they would necessarily be centres of reaction and breeding grounds for defenders of the old system and opponents of the new. They would hold back the development towards communism, and must be swept aside. Compulsory education in the unified labour schools would have to be enforced universally, numbers of young workers, selected by the factory committees, would be drafted to the universities for a specialised training ; at the same time, teachers with communist training would have to be put into responsible positions to guide the training of large numbers of additional teachers. It is impossible to foretell how long the process would take : the physical provision of schools, the training of teachers, the revision of courses and of text books. But it must necessarily take a long time to break down the old and build the new, if only because of the fundamental change of ideas involved and the persistent struggle against the new system which would be waged by those whose outlook had been developed under capitalism.

In general, however, in all advanced industrial countries the material necessities for cultural development will be more easily found than was the case in Russia, and to that extent the whole process will be

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quicker. The suppression of the existing capitalist Press and the use of its machinery for printing and distribution of the revolutionary newspapers would at once establish closer links with the working class than were possible in backward Russia. Then would come the stage of building up the network of worker correspondents on which a revolutionary Press must depend : again a simple problem as compared with illiterate Russia. The network of cinemas in industrial countries covers practically every village, and it would not be long before these cinemas were carrying out their revolutionary functions of breaking down old conceptions and helping to shape new ideas and encourage new activities. The fact is that the higher economic level of Britain and other capitalist countries would make all problems of cultural development far easier and quicker to solve than was the case in Russia.

But the fact that the cultural level of the people is higher has also its negative side : the deep-rooted traditions and prejudices of a working class on which all the arts of capitalist and reformist propaganda have played for decades. Nevertheless, revolution itself expresses such a far-reaching break with tradition and prejudice, and releases such powerful new tendencies in society, that the forces making for a changed outlook, for a cultural revolution, are as irresistible as the economic forces which build up the new system of production and distribution. In *Ten Days that Shook the World* John Reed tells of an argument between a student and a Red Guard, in which the latter's only argument was :

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“To me it seems perfectly simple—but then, I’m not well educated. It seems like there are only two classes, the proletariat and the bourgeoisie—only two classes, and whoever isn’t on one side is on the other.”

This simple formula carried many Red Guards, in fact the whole Russian working class and poor peasantry, through the three years of civil war, and it carried them too through the long struggle on the cultural front, painfully learning to read and write and express themselves, to take part in organisation and government, to appreciate art, drama, the cinema, literature, sport and all cultural activities, using as their measuring-rod no abstract ideals but the formula : “ whoever isn’t on one side is on the other ”—whatever helps us to defeat capitalism and build socialism is good, whatever weakens our struggle for socialism is bad, spurious, the product of a past social order which now has no value for society except in the museum. It is this test which alone can stand in the transition period. The revolution rejects any other conception.

The essence of the cultural revolution is that it is *social*. It is this fact which distinguishes the new forms of art, music, literature, etc., in the Soviet Union from so-called new forms in capitalist society. It is impossible to conceive the culture of communist society as anything but social, both in its width, in its diffusion through the people, and in its essence, its content. And this feature necessarily stands out most clearly, shows itself as negative, destructive,

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so long as the remnants of anti-social culture are still struggling to survive. And if middle class representatives of capitalist culture, themselves the product of a past social order, hold up their hands in horror at this sacrilege, this so-called prostitution of culture to propaganda, it only shows their incapacity to grasp not only the fundamental nature of the change in society which is taking place before their eyes, but also their own historical background, the society which gave birth to their own ideas—and the part that they themselves are playing in their vain attempt to hold back human culture from the immense leap forward which the social revolution makes possible. Many of these critics deplore the commercialisation of art in the capitalist world : its Hollywood, its tawdry plays, its Royal Academy. But the fight against commercialisation of art, the fight for a really human art and culture of every kind, must take into account the existing form of society, the control by a narrow class of all the material foundations of culture, and the necessarily consequent tendencies in art and culture. If these facts are taken into account, the fight for a really human culture will be seen to be a fight for a really human society. No culture is final, valid for all time. But the culture which represents the future, which is actively striving to create the future, and is therefore fighting against the existing order or, in the transition period, the survivals of the past, contains more validity than the culture which represents the past. This approach changes the whole conception of culture. Its range is widened far beyond the limits

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assigned to it in capitalist society. Learning, art, music, drama are only aspects, forms of culture. A really human culture means the all-round development of individuals, continuously using their creative energies in society and for society. Such culture can only be reached through a complete transformation of the material conditions of life and the breaking down of all barriers to the development of every member of society.



## CHAPTER XII

### THE NEW SOCIAL SYSTEM

THE REVOLUTION which aims to establish a society of fully developed human beings cannot tolerate any form of oppression. One of the first acts of the Russian Soviet Government was to give to all the nationalities which had been held in subjection by the Tsardom the right of self-determination. Eventually—after intervention by foreign armies—the revolution was defeated in the national States formed on Russia's western frontiers, and Allied finance created the *cordon sanitaire* of capitalist Finland, Esthonia, Latvia, Lithuania and Poland. But the result of the policy of self-determination for national groups was also the formation of the Soviet Union, uniting national groupings in separate republics and autonomous areas. This, however, was only the political form of freedom and equality for the different national groups, which was also embodied in the principle of equal citizenship for all workers of any race or nationality. In order to give reality to these principles, in order to bring them into the lives of the peoples, they had to be given real content in social equality, economic equality and cultural equality. From the first moment after the revolution a very real social equality was

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established. Jews, Chinese, Finns, Cossacks and all the other nationalities to be found in Russia met on equal terms ; national or racial chauvinism was denounced as counter-revolutionary—and in fact the only pogroms after the revolution were those organised by the armies of the counter-revolution in the Ukraine in the attempt to whip up pro-Tsarist sentiments. Wherever the revolutionary government had control absolute equality existed. This social equality between all races and nationalities has already become spontaneous, and is in itself a fundamental change in society. And the Soviet Russian's attitude to the Jews, for example, after centuries of organised persecution, shows that a changed outlook could be developed quickly in Britain in relation to Indians, Arabs or Africans ; or in the United States in relation to negroes or Chinese and Japanese. From the moment when there is no longer the systematic propaganda of the ruling class against people of some other nationality—as against the Germans during the war and in the years after it—and when also society is so organised that there is no competition for labour, no labour-power cheaper because it is the labour-power of a subject race, the attitude of racial and national hostility rapidly dies out because it has no point of support.

But if the equal political and social position of individuals of different nationalities and races flows naturally from the economic changes in society, this still leaves unchanged the fact that the economic development of national groups is not equal. Within the Tsarist Empire, such economic development as

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had taken place in certain areas of European Russia had left the rest of the country untouched. For many years after the revolution civil war and economic difficulties made it impossible for the central government to give any considerable help to these backward areas, although there was a constant flow of credits to help agriculture and industry in these areas. From the time of the first Five Year Plan, however, Turkestan and all the other former colonies began to get positive help in the construction of railways and the introduction of new industries : help that was not in the form of a loan on which interest would have to be paid, but real help in means of production and transport through which the production of each national group could be enormously increased. It is a long process, of course. In Turkestan the famous Turk-Sib railway was only completed in 1930 ; the building of cotton spinning and weaving mills will only be completed in the second Five Year Plan. But from the moment when real constructive work could begin, the economic life of Turkestan has been steadily developing : first its methods of cultivation and transport, and then its industries. And it is the same in every other national area in the Soviet Union, down to the small hunting tribes in the far east of Siberia : economic development is taking place steadily, raising not only the material conditions of the people but also providing the basis for their cultural development.

In all the separate national republics and autonomous areas the schools, elementary and higher, use

the language of the people, and not Russian ; text books, newspapers and general literature are issued in the national languages, which are also used in the courts and in all official documents ; in certain cases where small groups had no written language, an alphabet has been worked out and brought into use ; in other cases where the script has been so difficult that it was in itself a barrier to widespread education, it has been converted into the Latin alphabet. In all other directions, too, every natural expression of the national culture is encouraged—in music, art, drama, games and so on. As a result of this systematic policy, social, economic and cultural, the gulf between the more advanced and the more backward peoples is being slowly bridged, and at the same time everything that is distinct and valuable in the life of the national groups is being given full opportunity to develop.

Would this aspect of the revolution be important in other countries ? No one can doubt that it would be of tremendous importance in Germany after a period of the National Socialist propaganda. Its importance in the United States, with its immense negro population, is also clear. But in the British Empire it would be even more important than it was in Russia. In the first place, the revolutionary government would immediately withdraw the British armies of occupation scattered through the world, and establish full political equality for every national group—the full right of self-determination. From that moment Britain would only be concerned with the nations contained in the former

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British Empire in so far as every industrially advanced country in which there was a revolutionary government would be concerned with every technically backward country. In conjunction with whatever revolutionary governments then existed in industrially advanced countries, the workers' government in Britain would play its part in raising the economic and cultural level of what were once colonial peoples. The help given by the industrially advanced peoples would not take the form of investments drawing tribute from peoples of a lower technical development. It would probably be partly on the basis of exchange, in which the unit of measurement would not be price but labour. In capitalist society, trade with technically backward countries is always unequal : machine made products are sold in the colonial country at a price but little below the cost of production by handicraft methods. The product of perhaps one day's labour in Lancashire is sold in Africa at a price which is the equivalent or but little below the price of a product of perhaps three or four days' labour there. In this way the advanced country is always exchanging less labour for more labour. After the revolution, exchange as between advanced socialised industry and backward colonial industry would be on the basis of equal labour. But when the stage was reached when it was possible to organise a world plan of production and distribution there would be no question of exchange. Within each separately organised communist area, the established principle will be "to each according to his needs." When

communist society has been organised on a world scale the same principle will apply irrespective of national groupings. The World Five Year Plan will provide industrially backward countries with their needs in industrial equipment ; it may or may not, according to their technical development and resources, call on them to provide a surplus of agricultural products or raw materials for other countries. It must be remembered that in communist society there can be no large areas eternally condemned to produce machinery, and others to produce the raw materials for it. Up to a certain stage specialisation may be necessary, as a lever towards the raising of the whole technical development of all countries ; but as rapidly as possible all areas will be brought up to a general equality of technique and industry. It may seem absolutely utopian to imagine that at any time the workers in the industrially developed countries would be willing to produce industrial equipment for India or Africa without asking for anything in exchange : but in fact it is far less contrary to "human nature" than the present system in which the workers are constantly producing surplus value for a separate class, for people who in the literal meaning of the word are parasites, and who use what they absorb to control the lives and poison the minds of the people on whose labour they live. "Human nature" in social relationships is the product of the existing system of production, and change in this system inevitably brings with it a change in human nature. Even under capitalist society great natural calamities — earthquakes,

hurricanes and famines—can be the basis for really widespread help. Within the working-class, always nearer to realities and more conscious of the struggle to live than the middle-class and capitalist class, the practice of organised aid in strikes as well as in natural calamities is already well established, both within one nation and internationally. And within the Soviet Union there is concrete evidence of continuous help to the backward peoples long before those in the industrially advanced areas have reached the stage of satisfying their own needs.

Cultural help also will be given by the revolutionary governments in advanced countries to the peoples in backward areas : not by imposing English or German or American language and customs on them, but by giving material aid in the form of books in the language of the peoples, school equipment and other technical equipment necessary, and also personal aid in the form of instructors and organisers where these can be of service in helping forward the development of national cultures.

It is perhaps difficult to realise the profound difference that the changed relationships between nationalities will make in the world. It is not only the ending of wars great and small, of the constant national struggles for freedom and the corresponding national oppressions. There will be no more social oppression of the type that finds its logical expression in pogroms and lynchings and beatings. The sweeping away of all barriers of nationality and race brings in its train the liberation of immense positive forces, economic and cultural. In communist society there will be no

patent law, national or international. On the contrary, every advance will be not only theoretically available but will be brought by positive measures into the lives of countless millions. There will be a development of science and of every form of knowledge comparable only with the immense developments of production. And the lives of all human beings will be enriched by the unrestricted cultural achievements of every nationality and race.

But if the new society rises high above the old through its abolition of national and racial barriers, it towers still higher through its intolerance of the barriers which former societies have made of the difference of sex. Here also Soviet Russia has already gone far ahead of capitalist society, even though it is still only in an early stage of the transition. Complete equality was established between men and women from the first, in political rights, in the marriage laws, in wages tariffs. But the establishment of women's equal right to work and to take part in every social activity was in itself almost empty. Just as in the case of nationalities centuries of subjection could not be got over by a simple declaration of equality but only by positive economic and cultural measures, so centuries of the subjection of women had left a legacy of economic ties and cultural backwardness which made real equality attainable only through a long process of positive changes. The almost universal cultural backwardness of women (except to some extent women of the ruling class) under the Tsardom could be done away with gradually through the schools: millions of adult women



have been taught to read and write and given some general education ; and all the schools and universities are co-educational, so that at least the younger generation of women has the same educational opportunities as the younger generation of men. But however well equipped women were for political and social work as well as productive work, the old organisation of the factory and the home made it practically impossible for them to engage in such activities after marriage. The process of liberating women from subjection was therefore necessarily also a process of adopting the factory and the home to the special needs of women.

In the factories, the labour laws took account of the realities of sex differences : first in general laws for the protection of women, such as are now found in most capitalist countries, prohibiting night work, the carrying of heavy weights, or other work specially harmful or dangerous for women ; and secondly in special laws which only a revolutionary government could decrec—eight weeks' leave on full pay before and after childbirth ; half-an-hour's leave every three hours for nursing mothers ; besides the general institution of crèches attached to the factories, where mothers leave their children when at work. These conditions at the factories were supplemented by equally necessary conditions in the homes, although these were naturally not so easy to apply in practice as similar measures in the factories. Nevertheless, in district after district the woman's never-ceasing drudgery of housekeeping and cooking and washing and looking after her children is being relieved by

the organisation of house-communes with central kitchens and wash-houses and nurseries ; and these are supplemented by local crèches and kindergartens and school dining-rooms and summer colonies for children, which add materially to the freedom of mothers. Advice on birth control is systematically given ; women even have the right to operations for abortion. The divorce laws are equal for men and women ; and the growth of industry with its insistent demand for labour makes it possible for women to be economically free.

These are the principal changes which the revolution is making, and has partially made, in the material conditions of women's life. With these as the foundation, there has been systematic propaganda to draw women into activity, to get them to take up work and social responsibilities through which they could really take an equal place with men. It is a long process, and the ultimate aim will only be reached after a generation. But already large numbers of women, both in the towns and in the villages, are playing an equal part with men. They are working in the factories alongside of men, doing the same work except in certain heavy or dangerous trades, earning the same wages, taking an equal part on all the trade union and cultural committees, in the Soviets, and in fact in every sphere of life. Even women who choose home duties rather than work in the factories are not so shut off as in other countries. The factory libraries, restaurants, educational, dramatic and other "circles" are open to the wives of workers, and they can leave

their children at the factory or local crèche. It is true, of course, that the emancipation of women is only in its early stages. Partly owing to their own past training and outlook, partly owing to the attitude of their husbands and of men generally, large numbers of women still lead much the same lives as before. But every year more women are emancipating themselves, and every year more young people of both sexes are passing out of the schools with a new outlook on the position of women in society and the relations between the sexes.

In every country the establishment of real sex equality in economic, social and cultural life will necessarily come only as the result of a long process, in which the breaking down of prejudice and tradition will have to be based on economic changes and changes in the organisation of home life such as will give the material conditions of freedom to women of the working-class—conditions which capitalist society has given only to the rich. But at least in the United States and in Britain the process will begin at a higher point than it did in Russia. There will not have to be the long preliminary struggle against illiteracy, and there will not be the generally primitive peasant outlook. But in each country there is a vast mass of sex traditions and inhibitions to be cleared away, among both women and men, and although the revolution itself will begin the process, conscious organisation and propaganda will be required at every stage to carry it through.

The struggle for the emancipation of women in Germany would in any case have been considerably

more difficult than in Britain or the United States. Conditions will become worse if fascism continues its hold for any length of time. It is typical of the last stages of capitalism that the ruling class should attempt to maintain its position a little while longer by reversing even the limited tendencies to women's emancipation which have shown themselves in capitalist society. In Germany the fascist attitude to women has found expression in economic measures to induce women to leave industry and set up homes. In the industrial field, the same setting back of the clock is attempted (at least in words) by the exhortation to manufacturers not to use machines where work can be done by hand. In the cultural field the same tendency shows itself in the sacrificial burning of "Marxist" books, in the persecution of the Jews and the campaign against any elementary form of internationalism. But the policy of sending women home to bear children for war is typical of the whole reaction, and the contrast of this policy with the Soviet policy of the economic and cultural emancipation of women is typical of the whole contrast between the reaction inevitably developing in the last stages of capitalism and the immense progressive forces released by the revolution.

The revolution must bring freedom not only for subject nationalities and for women but for every individual in society. This means that it must break down the barrier to human development which shows itself in authority on the one hand and subjection or dependence on the other. To some extent this process is implicit in every sphere of the revolutionary

change. The breaking down of the machinery and institutions of the capitalist State in itself brings to the ground a colossal structure of authority. Practically every one of the series of decrees issued by the Soviet Government in the first weeks after the revolution contained paragraphs specially directed against the traditional forms of authority. A decree "On the Equality of Rank of all Military Men" declared all members of the army "free and equal citizens" and abolished "all privileges connected with the former ranks and grades, all outward marks of distinction, all addressing by titles." Another decree established the elective principle for all commanding staff and officers :

"All commanders up to the commanders of regiments, inclusive, are elected by general suffrage of squads, platoons, companies, squadrons, batteries, divisions and regiments. All commanders higher than the commander of a regiment, and up to the supreme commander, inclusive, are elected by congresses or conferences of committees" (of soldiers' delegates).

Another decree abolished "all class privileges and delimitations, all class organisations and institutions and all civil ranks . . . and all titles." Judges were elected by the workers and, like all other elected officials and representatives, were subject to recall by their constituents. Authority over the workers, in whatever form it had appeared, was abolished ; and

in so far as it was necessary for practical organisation, it became the delegated authority of the workers, who could at any time withdraw it. This abolition of authority had as its counterpart the abolition of subjection and dependence as a principle and the substitution of responsibility : responsibility which, however, could only fully replace authority after a long process of training and education as well as organisation.

The changes in the organisation of production in the factory are an illustration of that process. In the first period of the revolution, only the elected factory committee had authority. After the revolution was secure, the authority of the manager was restored, subject to restriction and supervision by the factory committee and trade union organisation. Then the manager's functions and authority were gradually limited by the devolution of authority to under-managers ; while both managers and under-managers were in the last resort subject to the plan of production, expressing the authority of society, and to their own workers, to whom the managers had to report. Continuous decentralisation of the plan of production within the factory spreads responsibility down to quite small groups. This process, together with the continuous education and training of the workers, has already gone far towards breaking down the whole conception of organisation by authority and subjection and replacing it by individual and collective responsibility. Conceptions which are themselves aspects of a certain social stage become inapplicable at a later stage, and are replaced

by new conceptions which could not arise until the social organisation which makes them possible is developed.

It was the same with political and general social authority in Russia. The Soviets with their joint legislative and executive functions brought hundreds of thousands of workers and peasants into positions demanding initiative and the casting off of the sense of dependence, of having things arranged for them. The factory committees, the committees of the trade unions, of the co-operatives, the study circles, dramatic circles, sports circles and so on, brought millions out of the habit of having things arranged for them, of subjection and dependence ; and it gave them a form of authority which was already becoming responsibility. The innumerable and protracted meetings which from the first have been an object of derision in the outside world are the means through which the working class and peasantry of the Soviet Union are throwing off their intellectual subjection and developing independence, initiative, responsibility. The administrators, the officers, all persons in authority over others are gradually losing their special functions and becoming simple organisers, as it were on the same level as the people whose activities it is their function to organise. When an administrator or manager fails and is removed from his post, it is because he has failed to develop the sense of social responsibility among the individuals with whom he is working ; when he succeeds, it is not by exerting authority over them but by bringing out their independent initiative and responsibility.

And while the forms of economic and social organisation are in this way helping to develop initiative and responsibility among adults, a similar process is taking place among children through the new methods of the educational system. Even in the crèches and kindergartens the independent initiative and responsibility of the children is brought out from a very early age. It is true that the methods were not entirely invented by the revolution ; in general, they are the " modern " methods of educational reformers in capitalist society. What is new is that they are being applied universally, or at least as far as the educational network has spread from year to year ; they are no longer the prerogative of the rich or of a few small experimental schools, but are at the disposal of the whole people, and are therefore slowly but surely creating a new " human nature," a society of individuals with a fundamentally new approach to life. Throughout the school system the old formal discipline resting on the authority of the teacher was abolished—and also, of course, all forms of corporal punishment. Every attempt was made to introduce self-government instead of discipline by teachers, and in the best organised schools committees of the pupils arranged practically every school activity. The teaching of religion was prohibited : responsibility to God was replaced by responsibility to society—in its immediate form, responsibility to the group of pupils in the class and in the school. The combination of manual with mental work which has already been mentioned not only helped to develop the child's abilities in an all-round



way, but also helped to break down the distinction between mental and physical labour and with it the authority of a caste of mental workers. Naturally, the whole system requires, and is gradually developing, teachers with this new conception of education.

The political—or rather social—content of the educational system was necessarily imposed from outside, as a deliberate act of the Soviet Government. The self-organisation of the pupils, the control by the pupils of the whole school life, had a certain similarity with the early control of the factories by the factory committees. Until the teaching staffs had been changed, until teachers with an understanding of the new system had been trained, control by the pupils had a definite class purpose : to break down the influence of the old ideas and develop the new. The children enrolled in Party organisations—the Oktiabrists, Pioneers and Komsomols—were the actual instruments of control ; the school committees were in fact drawn from their ranks, and the teacher of social sciences—that is, generally a communist—played a large part in the organisation of control by the pupils' committees. At a later stage, when large numbers of communist teachers were available, the absolute control of school life by the pupils was no longer a necessary measure of the class war ; it was therefore modified, in order to relieve the most active children of a number of duties which were interfering with their studies and health. General school control is now in the hands of the teaching staff, but the children continue to organise their own "circles"

for social and political activities. It is not to be supposed that this will be the final form of organisation of the school. As the children, now under the direction of their teachers, develop the capacity for self-government without narrowing it down in practice to the groups of politically conscious Oktiabrists and Pioneers, the administrative control by the teachers will "wither away": the whole conception of authority and control either by pupils or by teachers will give place to the conception of social responsibility on both sides. That this process has already gone far in the best schools, in the schools attached to factories in industrial areas, is again an indication that the new educational system is not utopian, but also on the other hand that its methods and aims can only be fully realised when the traditional ideas of capitalist society have been completely replaced by the social ideas of which the working class is the bearer until the classless society comes into being.

In the prisons, too, the conception of authority is being broken down through the self-government of the prisoners in various forms. The degree of responsibility placed on the prisoners must seem extraordinary to prison authorities elsewhere, especially in Britain. Elected committees control the general organisation, the cultural activities, the prison co-operative stores. Many of the prisoners are allowed to visit their families at week ends, and all except the most dangerous cases have a fortnight's holiday a year on parole. Needless to say, the "authority" of the warders and of the prison governors is of a type

unknown in the outside world. And if in this sphere too the new methods are not completely the product of the revolution, but are simply the application and extension of ideas advocated by prison reformers in capitalist countries, the fact remains that it is the revolution which has broken down the old conception of punishment and transformed prisons into "houses of correction," educational and training institutions of a specialised type.

Visitors to the Soviet Union have noticed the general air of alertness and confidence shown by the workers in the factories and in the streets. Certainly the contrast with Britain and other capitalist countries is very striking. The fact that there is no unemployment in the Soviet Union is by itself enough to make a noticeable difference—not only from the standpoint of health and clothes, but in the mental outlook, the confidence of the individual workers. There is no section of the population kept permanently below the subsistence level ; there is not the sense of insecurity, of helplessness and hopelessness, which in capitalist countries is shared to a greater or less extent also by the workers who are in employment but are in constant fear of dismissal. In the factories and other places of work there is no fear of foremen or managers ; caste differences between the grades of labour are being steadily broken down ; the conditions of labour are improving, and with them both the health and the cultural development of the individual workers. Sickness has no economic terrors for the workers or for their families. The hours of work are short—the average is now well under

seven hours—and the workers are increasingly conscious of the fact that they are working for society as a whole ; at the same time their own part in society, their independent initiative, is growing more important. This holds good particularly for members of former subject peoples and for women in every sphere of social life.

The fact is that already, in spite of the terrible difficulties which the revolution in Russia has had to overcome, a new society is emerging. The change in the system of production, the increase in productive forces, all the changes in the material conditions of existence brought about through the revolution, are only the foundation on which a new society, a new human nature, a new life can be built. Forces kept dormant or restrained by capitalist society are released by the act of revolution, by the overthrow of capitalist rule and of the capitalist system of production. From that moment these forces begin to work in social production, raising the conditions of existence for the whole people. But from that moment too, parallel with the change in the economic conditions, the new forces begin to act on millions of human minds, breaking down prejudice and tradition and opening to them new fields of activity, a culture and a life which were unknown and impossible at any earlier stage in human history.

It is true that many of the new forms of culture and life and social organisation have been advocated by reformers in existing capitalist society. Each one of the contradictions and conflicts of capitalist society has been seen and understood by the conscious

members of the group which finds its existence cramped and even made impossible by them. The various movements of national liberation, the women's movement, the reform movements in education and health and other aspects of life are all struggling with conditions which are bound up with capitalist society. All these movements express real forces which are developing within capitalist society but can only find their positive expression, can only help to shape society, after the revolution which destroys capitalist society and gives them the opportunity of building the framework of the new society. As Engels wrote in *Anti-Dühring*, it is only after the revolution that

“man finally cuts himself off from the animal world, leaves the conditions of animal existence behind him and enters conditions which are really human . . . The laws of his own social activity, which have hitherto confronted him as external, controlling laws of Nature, will then be used by man with complete understanding, and hence will be controlled by man. . . . It is only from this point that men, with full consciousness, will fashion their own history ; it is only from this point that the social causes set in motion by men will have, predominantly and in constantly increasing measure, the effects willed by men. It is humanity's leap from the realm of necessity into the realm of freedom.”

The society which makes this possible, within which all the material and human forces held back

by capitalist society can develop freely, within which man will consciously control and direct the forces of Nature, including those which operate in society, is now no longer merely a utopian dream. Nor is it only a deduction, however forceful the logic, from a study of the past history of mankind. History unfolding itself before our eyes has shown us in the Soviet Union both the overthrow of capitalist society and the building of the new. If the process is still far from complete, if the Soviet Union is still only in transition from capitalism to communism, at least the direction of the change is clear enough. And if the conditions of the revolution in Russia were in many respects unique, yet the stages in the transition can be seen to arise out of the nature of society as it exists in the capitalist world of to-day.

At the same time, comparison of the specific conditions shows that in industrial countries such as Britain, Germany and the United States the transition will begin at a higher stage of capitalist development, while the existence of the Soviet Union and the advanced stage of capitalist disintegration will make the transition period in those countries easier and more rapid. But nowhere can the transition be smooth and painless. The transition itself is a process of conflict between capitalism and communism, a conflict not only in the realm of ideas but on the material, physical plane. It is a struggle of the working class against the conditions which are increasingly depriving it of the means of existence ; a struggle against capitalism, and therefore a struggle against the capitalists as a class, who fight to defend

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the existing order with armed force and fascist terror. This struggle between the classes is the essential feature of the process leading up to and through the transition, and it is only by the victory of the working class in this struggle that the conflicts and contradictions of a class society can be abolished and society as a whole can develop the material and intellectual forces which history has now put within its reach.